



## Notice Inviting Tender

**TENDER Ref #: PLI-2-PR-20010437**

**The Automotive Research Association of India (ARAI), Pune, an autonomous research institution of Automotive Industry with the Ministry of Heavy Industries & Public Enterprises, Govt. of India. ARAI, Pune would like to procure the goods / avail service as below**

- > Brief Description: Appointing CA firm for DVA assessment
- > Document download start date 3-4-2024
- > Document download end date and time 23-4-2024 & 15:00
- > Pre-bid date & time : 10-4-2024 & 11:00  
To participate in pre-bid, bidder to send their mail IDs to [walimbe.pur@araiindia.com](mailto:walimbe.pur@araiindia.com) indicating tender reference number. Teams meeting link will be shared accordingly.
- > Clarification start date and time: 4-4-2024 & 09:00
- > Clarification end date and time: 17-4-2024 & 15:00
- > Bid Submission start date and time: 4-4-2024 & 09:00
- > Bid submission end date and time: 24-4-2024 & 15:00
- > Technical Bid Opening date and time: 25-4-2024 & 15:00

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Tender Type : TWO BID SYSTEM

### **Contact for information:**

Automotive Research Association of India (ARAI)  
S. No. 102, Vetel Hill, Off Paud Road, Kothrud, Pune – 411038 (India)  
Fax: +91-3023 1104, Website : [www.araiindia.com](http://www.araiindia.com)

Technical Contact: R K Rathod, Tel: 9970785048, Email: [rathod.cmc@araiindia.com](mailto:rathod.cmc@araiindia.com)

Commercial Contact: S. S. Sabnis, Dy, General Manager, Purchase, Tel: 020-67621660, Email: [sabnis.pur@araiindia.com](mailto:sabnis.pur@araiindia.com)

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# **Chapter – V**

## **TENDER ACCEPTANCE LETTER**

**(To be given on Company Letter Head)**

**Date:**

To,  
The Automotive Research Association of India, Pune  
Tender Reference No: TENDER Ref #: PLI-2-PR-20010437

**Name of Tender / Work: - Appointing CA firm for DVA assessment**

Dear Sir,

1. I / We hereby certify that I / we have read the entire terms and conditions of the tender documents (including all documents like annexure(s), schedule(s), etc.), which form part of the contract agreement and I / we shall abide hereby by the terms / conditions / clauses contained therein.
2. The corrigendum(s) issued from time to time by your organization too have also been taken into consideration, while submitting this acceptance letter.
3. I / We hereby unconditionally accept the tender conditions of above mentioned tender document(s) / corrigendum(s) in its totality / entirety, except the deviations mentioned separately in technical bid.
4. I / We do hereby declare that our Firm has not been blacklisted/ debarred by any Govt. Department/Public sector undertaking.
5. I / We certify that all information furnished by the our Firm is true & correct and in the event that the information is found to be incorrect/untrue or found violated, then your department/ organization shall without giving any notice or reason therefore or summarily reject the bid or terminate the contract , without prejudice to any other rights or remedy.
6. I/ We understand that ARAI reserves the right to amend, alter, modify, and amplify the specifications or quantum of procurement at any time before orders are finally placed on the selected bidder. ARAI also reserves the right to scrap the entire process of procurement at any stage before the orders are placed on the bidder(s) without assigning any reason.
7. Deviation to any term/ condition is attached herewith as a separate annexure /sheet.

Yours Faithfully,

**(Signature of the Bidder, with Official Seal)**

# Declaration

(To be given on Company Letter Head)

Date:

To,  
The Automotive Research Association of India, Pune  
Tender Reference No: TENDER Ref #: PLI-2-PR-20010437

Name of Tender / Work: - Appointing CA firm for DVA assessment

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. The country of origin of the product offered against the subject tender enquiry is \_\_\_\_\_

Note: - If, the bidder is having registration with the Competent Authority, evidence of the same shall be attached.

Signature: -  
Name of competent Authority:  
Designation: -  
Date: -

Signature Not Verified

Digitally signed by WALIMBE AKSHAY  
HEMANT  
Date: 2024.04.03 14:53:35 IST  
Location: eProcure-EPROC

## Chapter – II

### Instructions to Bidders

#### 1. Submission of Bids:

A) This is an **E-tender**, Interested tenderers/Bidders may download the tender enquiry document (TED) and submit their bids online at Central Public Procurement Portal website: [www.eprocure.gov.in](http://www.eprocure.gov.in)

Bidders are required to enroll on the e-Procurement module of the Central Public Procurement Portal ([URL:http://www.eprocure.gov.in/eprocure/app](http://www.eprocure.gov.in/eprocure/app) ) by clicking on the link “[Click here to Enroll](#)”. Enrolment on the CPP Portal is free of charge

B) Bidders should strictly follow the date & time schedule mentioned in the Tender enquiry on CPP portal [www.eprocure.gov.in](http://www.eprocure.gov.in)

C) Bids received on e-tendering portal only will be considered. Bids in any other form sent through sealed cover/email/post/fax etc. will be rejected.

D) ARAI will not be responsible for any delay in enrollment / registration as bidder or submitting /uploading the offer on tender portal. Hence, bidders are advised to register on e-tendering website [URL:https://www.eprocure.gov.in/eprocure/app](http://www.eprocure.gov.in/eprocure/app) and enroll their Digital Signature Certificate and upload their quotation well in advance.

E) Request for extension to “Bid submission end date” should be avoided; in case extension is inescapable, ARAI can take decision suitably.

F) Any change/corrigendum/extension of opening date in respect of this tender will be issued through websites/portal only and no separate notification will be issued in this regard. Bidders are therefore requested to regularly visit portal for updates.

G) For tender content related doubts, bidder should contact ARAI contact person, contact details are given on first page under chapter-I (Notice Inviting Tender)

For portal related issues, bidders must contact NIC support team on below contact details

Email -[cphp-nic@nic.in](mailto:cphp-nic@nic.in) or [support-eproc@nic.in](mailto:support-eproc@nic.in)

Telephone -0120-4200462 / 0120-4001002 / 0120-4001005 / 0120-6277787

H) While submitting the tender, if any of the prescribed conditions are not fulfilled or are incomplete in any form, the tender is liable to be rejected. If any tenderer stipulates any condition of his own, such conditional tender is liable to be rejected.

I) All the tender documents & price bid to be uploaded as per this tender are to be digitally signed by the bidder.

2. The Director, ARAI, Pune reserves the right to accept the offer in full or in parts or reject Summarily or partly.
- 3 ARAI, Pune reserves the right to award / reject the order to any particular bidder without assigning any reason thereof.
- 4 Bidders should QUOTE strictly in accordance with the requirements.
- 5 Bidders shall adhere to the procedure and processes laid down in this document and shall follow fair and ethical practices of trade.
- 6 Based on the list of installations provided by the bidder, ARAI, Pune will have its option to obtain details of the equipment, their performance, after sales services etc. for evaluation of the tender, directly from the concerned Labs. / Scientists etc
- 7 The makes / brand and name & address of the manufacturer, Country of Origin, Country of Shipment and currency in which rates are quoted are to be mentioned.
- 8 **Bid Security (EMD) applicable if mentioned specifically in CPP portal NIT: Not applicable for this tender**
  - The units registered with Central Purchase Organization (DGS&D), National Small Industries Corporation (NSIC) or the concerned Ministry or Department shall be exempted from the payment of Bid Security (Earnest Money Deposit) as defined under Rule 170 of General Financial Rules (GFR), 2017. In such case, copy of the certificate showing registration with the abovementioned institutions to be uploaded in Cover-I of the e-tender in PDF format. The Indian Agents of foreign firms registered with DGS&D are not eligible for exemption from submission of Bid Security.
  - In case the unit is not covered as above, it shall submit the offer along with the Bid Security (EMD) for the amount mentioned against each equipment/Instrument.
  - Bidder should deposit the amount of EMD in below mentioned ARAIs account via RTGS /NEFT, & upload the RTGS / NEFT slip with UTR details in Cover 1 in EMD section.

ARAI bank A/C no., IFSC Code, Bank Name, Branch Name
  - The EMD will be returned to the unsuccessful bidders after the orders are placed with the successful bidder.
  - The EMD will be forfeited if the bidder fails to accept the order based on his/her offer/bid or fails to supply the items
  - If the EMD is not insisted in a tender, ARAI may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for a period of 1 year to submit Bids for contracts with ARAI.

**9 Amendment of Bidding Documents**

At any time prior to the deadline for submission of bids, ARAI, Pune may, for any reason, whether on its own initiative or in response to the clarification request by a prospective bidder may modify the bid document.

Bidder should refer the related corrigendum before submitting their bid.

**10 Bids for procurement of goods / availing services shall be valid for a period of 90 days from the date of opening the Technical bid. ARAI may ask for the bidder's consent to extend the period of validity. Such request and the response shall be made in writing only. A bidder agreeing to the request for extension will not be permitted to modify his bid.**

**11 Bidders should refer the entire corrigendum made till end of bid submission date and update their bids accordingly.**

**12 To avoid the time and effort required in uploading the same set of standard documents which are required to be submitted as a part of every bid, a provision of uploading such standard documents (e.g. PAN card copy, annual reports, auditor certificates etc.) has been provided to the bidders. Bidders can use "My Space" area available to them to upload such documents. These documents may be directly submitted from the "My Space" area while submitting a bid, and need not be uploaded again and again. This will lead to a reduction in the time required for bid submission process.**

**13 The server time (which is displayed on the bidders' dashboard) will be considered as the standard time for referencing the deadlines for submission of the bids by the bidders, opening of bids etc. The bidders should follow this time during bid submission.**

**14 All the documents being submitted by the bidders would be encrypted using encryption techniques to ensure the secrecy of the data. The data entered cannot be viewed until the time of bid opening. The confidentiality of the bids is maintained using the secured Socket encryption technology. Data storage encryption of sensitive fields is done.**

**15 Upon the successful and timely submission of bids, the portal will give a successful bid **submission acknowledgement** & a bid summary will be displayed with the bid no. and the date & time of submission of the bid with all other relevant details. Bidder should save this acknowledgement & submit it to ARAI, in case of any dispute/grievance, failing which, such complaints will not be entertained.**

**16 Bidder can modify its bid (if required) before the last date/time of bid submission; after that Portal will not allow any modification.**

**17 Two Bid System:**

In this system the bidder must submit his offer online in **two covers** on or before **bid submission date**.

**"Cover No.1 – Technical Bid"** and

**"Cover No.2– Commercial Bid"** respectively.

**A ) Cover No.1: "Technical Bid" Shall contain**

- (i) The technical bid should not contain any price information. If found so, ARAI reserves the

right to disqualify the bidder.

- (ii) The technical bid should contain dully filled detail compliance sheet to ARAI Technical specifications (as per the chapter IV) & supporting documents asked under Eligibility criteria, if it is not submitted by the bidder, ARAI may reject such bid.
- (iii) The technical bid should contain signed and sealed Tender Acceptance Letter in prescribed format given in chapter V & deviation letter if any.
- (iv) The technical bid should also contain all mandatory prescribed documents / forms as mentioned in Tender.
- (v) The technical offer should be complete to indicate that all products and services asked-for are quoted. Each page of the bid and cutting/corrections shall be duly signed and stamped by the bidder. Unsigned bids may be rejected.
- (vi) Users List: The bidder shall provide a list of users along with name and contact address of person responsible where similar system/ service has been supplied.
- (vii) The technical bid should contain commercial terms with reference to the tender.
- (viii) If the tender is for branded makes, authorization letter from principal clearly indicating that the vendor is the competent authority to sell and provide services towards the items mentioned in the scope of supply given in this tender document.
- (ix) In a tender of non-branded items/goods, either Indian agent on behalf of OEM/ Principal or OEM/ Principal itself can directly participate, but both cannot participate simultaneously for the same. Here Indian agent has to submit authorization letter from principal, clearly indicating that the vendor is the competent authority to sell and provide services towards the items mentioned in the scope of supply given in this tender document.
- (x) If an agent submits bid on behalf of the OEM/ Principal, the same agent cannot participate / submit a bid on behalf of another OEM/ Principal in the same tender / same items.
- (xi) Bidder who is participating as an Individual /Private Limited Company/ Limited Liability Partnership/ Partnership/ Sole Proprietorship cannot participate as an another bidder (through a joint venture/consortium) in same tender.
- (xii) In case of limited tender enquiry, the tender enquiry will be nontransferable, if the listed potential bidder wants to participate through its sister concern firm, they have to take prior permission from ARAI, where ARAI will verify the credentials of sister concern firm & take appropriate decision.
- (xiii) If registered with the National Small Industries Corporation, the registration number, purpose of registration and the validity period of registration and a copy of DGS&D registration wherever it is applicable should also be provided in Technical Bid
- (xiv) SC/ST/ Women Entrepreneurs/MSME should attach relevant Registration certificate

along with their bid.

- (xv) GST registration no. details should be submitted in technical bid.
- (xvi) List of deliverables / Bill of materials and services
- (xvii) The technical bid should contain the Proofs/Documents related to the eligibility criteria.
- ~~(xviii) In case of Import supply of Goods — Bidder should give approximate weight of consignment, number of boxes & size (L / W / H) of each box.~~
- ~~(xix) In case of equipment, bidder should submit detail scope of CAMC / NON CAMC ( as asked in tender) for 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year in technical bid/envelope.~~
- ~~(xx) In case of equipment, bidder should submit detail list of spares and consumables required during 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year in technical bid/envelope.~~
- (xxi) Contact details of Authorized signatory (e-mail ID, Mobile No. and also general e-mail ID) for easy and faster communication.
- (xxii) If supplier is ISO certified, copy of certificates shall be submitted.

## **B) Cover No. 2 : “Commercial Bid” Shall contain**

Bidders shall strictly follow price bid format shared by ARAI

- (i) Commercial Bid should be submitted online in mentioned Price bid format of tender. Any field of price bid format should not be kept blank. Use NA (not applicable) in case any field is not relevant.
- (ii) Item wise detail cost break-up for ordering information. (i.e. Bidders Product Code, Description, Unit, Currency, Rate, etc) in bidders' own format.
- (iii) Price schedule complete in all respects with proper seal and signature of authorized person.
- (iv) Rates should be quoted giving the basic price, applicable GST % & item wise HSN /SAC codes (as per ARAI price format given in tender document).
- (v) Bidders may also bid for High Sea sales. (In case of import)

**Note: ARAI reserves the right to disqualify the bidder for any deviation in technical and commercial bid.**

## 18 Opening the Technical Bids:

Cover no.1 i.e. Technical bid will be opened online as per the prescribed schedule. (Physical attendance of bidders at ARAI is not required).

The technical bids will be evaluated to shortlist the eligible bidders. The commercial bids of only the short-listed eligible bidders shall be considered for further processing.

In the event of specified date for the opening of technical bids being declared as a holiday for ARAI, Pune, or in case of any technical issue in website/portal, the same will stand extended to the next working day. No communication is required in such cases.

## 19 Technical Evaluation:

Technical bids will be evaluated on the basis of compliance to Eligibility criteria, GCC / SCC & TCC, technical specifications, Delivery period, etc.

In two bid system, after opening of technical bid, if any clarification is required for parameter / conditions from bidder, ARAI will intimate it through email & sufficient time line, as considered appropriate, will be given to answer /reply. Bidder has to clarify it in writing within that time line only, failing which their offer may be ignored for further evaluation.

The result of technical bid evaluation will be published on online portal (CPPP).

## 20 Opening the Commercial Bids:

Bidders who are complying to all technical requirements, Eligibility criteria and terms & conditions will be treated as “qualified eligible bidder” & commercial bids of only such bidders will be opened online.

## 21 Commercial Evaluation:

### Logic-calculation to arrive at lowest bid i.e. L1

Cost to ARAI as per ARAI price bid format

### B) Indigenous scope – Total Cost of services as mentioned in price bid format

Note 1: - If any of above costs are not mentioned in the offer then the corresponding highest costs amongst the remaining bidders will be considered for ranking.

Note 2: - Cost of optional items will not be considered for evaluation of L1, unless specified explicitly.

Note 3: - cost of PDI (wherever applicable) will be considered for L1 evaluation.

## 22 AWARD OF CONTRACT

ARAI shall award the contract to the eligible bidder whose bid has been determined as the lowest evaluated commercial bid.

If more than one bidder happens to quote the same lowest price, ARAI, Pune reserves the right to award the contract to more than one bidder or any of the bidders.

ARAI reserves the right at the time of award of Contract to increase or decrease the quantity of items specified in the Schedule of Requirements without any upward change in price or other terms and conditions.

ARAI reserves the right to split the order amongst the bidders considering the work as per timelines to be met and to avoid conflict of interest..

## Chapter – III General Conditions of Contract (GCC)

- 1 Right to Modify the Scope and Scrap the Process: ARAI reserves the right to amend, alter, modify, and amplify the specifications or quantum of procurement at any time before orders are finally placed on the selected bidder. ARAI also reserves the right to scrap the entire process of procurement at any stage before the orders are placed on the bidder(s) without assigning any reason.
- 2 Conditional Offers will not be considered.
- 3 Firms which have already supplied similar equipment to ARAI and have not completed required installation / commissioning / after sales service / warranty replacements etc. such firm's offer will not be considered for further evaluation and no enquiries thereafter will be entertained.
- 4 The item should be supplied with manuals including technical drawings, should be complete in all respects to operate the system without any problem.
- 5 The price quoted shall be considered firm and no price escalation will be permitted.
- 6 **Delivery Period / Timeliness:**  
The bidder shall specify the delivery schedule along with the installation, commissioning and acceptance testing at site in technical bid.  
  
The Bidder shall specify the expected period for completion of the work mentioned in service order
- 8 **Documentation:** The successful bidder shall provide one copy of instruction, operation / maintenance and servicing manual of the system in ENGLISH in hard copy / soft copy.
- 9 Wherever called for calibration certificates issued by accredited laboratory under ISO 17025, along with results with valid traceability to national / International calibration standards shall be provided.
- 10 **Amalgamation / Acquisition etc.:**  
In the event the Manufacturer / Supplier proposes for amalgamation, acquisition or sale of its business to any firm during the contract period, the Buyer / Successor of the Principle Company are liable for execution of the contract and also fulfillment of contractual obligations i.e. supply, installation, commissioning, warranty, maintenance / replacement of spares accessories & government levies pending (if any) etc.
- 11 In case of any ambiguity / dispute in the interpretation of any of the clauses in this Tender Document, **Director, ARAI, Pune's interpretation of the clauses shall be final and binding on all parties.**
- 12 ARAI will not provide any accommodation / transportation for the engineers / representatives for attending installation, commissioning and demonstration work. It is the absolute responsibility of the Supplier to make their arrangements. The representative should have proper identity card or authorization letter provided by the supplier for entering ARAI.

- 13 The Supplier / successful bidder must ensure use of Proper Personal protective equipment (PPE) by their engineers / representatives carrying out installation, commissioning and demonstration work.

14 Indemnity

The Supplier / successful bidder should indemnify, protect and save ARAI, Pune against all claims, losses, costs, damages, expenses, action suits and other proceeding, resulting from infringement of any law pertaining to patent, trademarks, copyrights etc. or such other statutory infringements in respect of all the equipment supplied / services provided by them.

The supplier should indemnify/ agree for recovery made by us of any tax amount from him on account of any refusal of Input Tax Credit to us for any deeds which deprives us from availing the eligible credit.

- 15 In case of import supply where price quoted on CIF basis, custom clearance and custom duty as applicable is responsibility of ARAI.

16 GOODS & SERVICE TAX REMARKS – (APPLICABLE FOR INDIAN BIDDERS)

- (i) GST Tax Invoice shall either be physically signed copy or digitally signed/e-invoice as required under the Sec 31 to 34 of the CGST Act 2017 read with CGST Rules relating to Tax Invoice. GST Tax Invoice or Debit or Credit note for supply of Goods or service or both shall contain all the requirements as mandated under Section 31 to 34 of the CGST Act. Vendor shall provide all necessary inputs, relating to Tax Invoice, Credit and Debit Note, as per CGST / SGST / IGST / UTGST Act and amendments from time to time. **For GST payment, matching the invoices uploaded by the vendor on GST Portal is necessary.**
- (ii) Vendor shall agree to ensure correct, accurate and matched invoices and Returns uploading on GST Portal within due dates, as per specified GST Act.
- (iii) Basic Price shall not include any taxes such as CGST, SGST, IGST and UTGST
- (iv) In view of Anti Profiteering Provisions, the reduction in the price has to be passed to us.
- (v) E-way Bill provisions as notified are to be complied with.
- (vi) INDEMNIFICATION: The Vendor agrees for recovery made by us of any tax amount from him on account of any refusal of Input Tax Credit to us for any deeds which deprives us from availing the eligible credit.

16.A INVOICE :

- (i) Vendor shall submit invoice / bill in duplicate mentioning our Purchase Order Number / Date / Challan No. / L.R. No. / R.R. No. etc. within 7 days from invoice date. Vendor shall check description, UoM, Qty, HSN / SAC, Tax% of Invoice with respect to PO and Invoice shall contain ARAI GSTN, Vendor GSTN, PAN, Bank details. The invoice / bill shall be duly stamped and signed / digitally signed. Vendor shall submit copy of e-Invoice (with legible / scannable QR code), wherever applicable, as per Govt. Notification.

## 17 Payment terms:

### A) For Indigenous

1. **In case of only supplies (where installation commissioning is not applicable)** – 100% Basic amount will be paid within 30 days from submission and material / service acceptance by ARAI and GST amount will be released upon matching of GST on portal. (Supplier shall submit PBG of 10% order value valid till warranty period along with invoice, wherever applicable).

OR

2. **In case of supplies with installation and commissioning-** Supplier shall raise separate invoices for material and installation & commissioning; here 80% of basic payment of supply/material invoice will be issued within 30 days from the delivery of material /Goods to ARAI & its primary acceptance by user.

Supplier shall raise invoice of Installation commissioning only after its completion; here 100% basic payment of services / installation invoice and balance 20% basic of material invoice will be issued within 30 days from the date of final acceptance & submission of Performance Bank guarantee of 10 % of Purchase order value, valid for 24 months from date of successful completion of work. GST amount will be released upon matching of GST on portal.

OR

3. **In case of only supplies but where the advance payment is inescapable:** - In such case, 40% advance (of basic amount) can be issued against submission of ABG of equal amount valid till expected delivery date. Balance 60% basic will be issued within 30 days from delivery of total material and its final acceptance by ARAI user. (Supplier shall submit PBG of 10% order value valid till warranty period along with invoice, wherever applicable). GST amount will be released upon matching of GST on portal.

OR

4. **In case of supplies with installation and commissioning, but where the advance payment is inescapable:** -  
(Supplier shall raise separate invoices for material and installation & commissioning)

- 40% advance (of basic amount of material invoice) can be issued against submission of ABG of equal amount valid till expected delivery date.
- 40% basic will be issued within 30 days from delivery of total material and its primary acceptance by ARAI user.
- Balance 20% (of basic of material invoice) along with 100% amount of installation & commissioning will be issued within 30 days from the date of final acceptance & submission of Performance Bank guarantee of 10 % value of Purchase order, valid for 24 months from date of successful completion of work. GST amount will be released upon matching of GST on portal.
- Supplier shall raise invoice of Installation & commissioning only after its completion.

5. For only Services- 100% basic against completion of services & its acceptance by ARAI user. {(And receipt of performance bank guarantee of 10% of order value valid for 24 months from date of successful completion of work), wherever applicable}
6. For AMC- 50% advance against order acceptance, balance after completion of six months. In case of longer tenure of the maintenance contract, the amount of advance shall not exceed the amount payable for six months under the contract.

## **~~For Overseas Supply~~**

~~B) Through wire transfer- 90% against receipt of dispatch documents (invoice, AWB or B/L), balance after completion of installation & commissioning and receipt of PBG for 10% of PO value valid for 2 years from the date of ARAI commissioning certificate~~

~~OR~~

~~C) 100% through LC- 90% against dispatch documents, balance 10% within 30 days from the successful completion of installation and commissioning & submission of PBG of 10 % value of higher value Purchase order (i.e. PBG of 10 % of value of purchase order of Goods or related purchase order of installation & commission , whichever is higher).~~

~~OR~~

~~D) 100% through wire transfer within 30 days after receipt of material at ARAI and submission of PBG for 10% of PO value valid for 2 years from the date of ARAI commissioning certificate~~

Note: LC will be opened 60 days prior to date of shipment. Supplier to intimate the probable date of dispatch 90 days in advance.

In case of service, Bidders must submit copy of PAN and Tax Residency Certificate along with Order Acceptance. Applicable TDS will be deducted while releasing the payment.

## **18 Bank Charges**

All Bank charges inside India, including opening of LC, to ARAI, Pune Account and outside India to Beneficiary's Account only. In case the bidder seeks confirmation of LC such confirmation charges are to the Beneficiary's account. Also, in case of any amendments due to suppliers' faults /demand, charges for the same will be to Beneficiary's Account only. This may please be noted.

## **19 Freight & Insurance:**

Indigenous: The equipment to be supplied will be insured by the vendor against all risks of loss of damage from the date of shipment till such time it is delivered at ARAI, Pune site in case of Rupee transaction.

## **20 Penalty/ Liquidated Damages for delayed delivery/ services –Applicable for this tender**

**Penalty:** Every week of delay in scheduled delivery period shall attract a penalty of 0.5%

of Purchase Order value with a maximum ceiling of 5 %. The term “Delivery” for the application of this clause defined as follows.

**Counting of delivery period shall start from:**

Date of Order Acceptance : for payment term “ after delivery”,

Date of L.C. / Wire transfer : for overseas suppliers,

Date of release of advance : for payment term “ advance”,

**End of the delivery period shall be considered as:**

Date of delivery at supplier’s work: for delivery term as “Ex works “,

Date of Delivery at ARAI premises: for delivery term as “Door delivery”,

Date of Cargo Arrival Note (CAN) at Indian Port: for delivery term as “CIF “,

Date of Airway bill / Bill of lading at delivery Port: for delivery term as “FOB/FCA “,

However, any delay due to ARAI about pre-acceptance and Design Approval shall not be considered for calculating delay period.

## **21 Pre-dispatch inspection (PDI): - (Wherever applicable)**

PDI will be carried out at manufacturer’s premises before dispatch of the equipment/material, the cost of to & fro travel of ARAI engineers would be borne by ARAI, however the testing facility may be made available by the bidder/ manufacturer & tools /tackles required for the same may be facilitated by supplier. The relevant test certificates as called for may be provided while inspection.

In case the Supplier fails to demonstrate the agreed parameters during PDI visit and because of that ARAI team cannot complete PDI (Pre-acceptance) during the visit, It will be considered as Primary rejection of system, here Supplier has to submit the plan for corrective action /Rectification with detail schedule of next Pre-dispatch inspection visit and the cost of to & fro travel, lodging & boarding of ARAI engineers has to be borne by supplier in this case.

In case ARAI does not opt for PDI, then the supplier should carry out the PDI on their own & submit report of the same along with supply.

### **Clause 21.A remote/online PDI -**

In normal course PDI will be carried out as per clause no. 21, But in unavoidable circumstances like pandemic situation of COVID-19, if the PDI at manufacturer’s site would not be possible for ARAI team, in such cases ARAI may prefer to conduct remote /online PDI. Details procedure of such cases will be shared to the vendor (whosever is the lowest 1 i.e. L1) before placing the order.

Note: - Parameters to be checked in PDI are as mentioned in chapter-IV i.e. technical specifications of the tender enquiry. The decision about PDI as per clause 21 or 21A, will be taken based the actual situation.

Bidder shall Quote PDI charges in “optional item sheet” of Price bid (either in INR or in foreign currency), in below fashion

- 1)Charges of Physical PDI (clause 21)
- 2)Charges of Remote/online PDI (clause 21 A)

During L1/price bid evaluation, Highest charges will be considered, but P.O. for PDI will be placed once the material is ready for PDI and based on the applicability of clause 21 or 21A (as per actual situation). by considering the charges Quoted as mentioned above.

## **22 Pre-installation requirements:**

The Bidder has to state in detail the Electrical Power / UPS requirements, floor Space, head room, foundation needed and also to state whether Air-conditioned environment is needed to house the system and to run the tests. i.e. pre-installation facilities required for installation may please be intimated in the technical bid. Subsequently, before the consignment lands in ARAI, Pune the bidder shall confirm that the pre-installation requirements are sufficient for installation of the equipment. In other words, the bidder should continuously monitor the pre-installation requirements and see that everything is ready before the consignment is taken to the site for installation.

## **23 Installation:**

- 1 Bidder shall be responsible for installation / demonstration wherever applicable and for after sales service during the warranty and thereafter.
- 2 Installation demonstration to be arranged by the supplier free of cost and the same is to be done within 30 days of the arrival of the equipment at site.
- 3 After successful installation what will be the minimum down time of equipment/instrument in case of breakdown has to be spelt out. If the identified firm or person fails to put the system into working condition what is the further alternative course of action suggested by the equipment supplier to adhere to minimum down time should also be brought out.
- 4 **Installation drawings and Infrastructure requirements:** The bidder shall provide two sets of installation drawings which should include all infrastructural requirements for effective functioning of the system.
- 5 No sub-contracting will be allowed for installation or maintaining system/ equipment / instrument during or after warranty period.

## **24 Liquidated Damage (Term applicable in case of delay in Installation & commissioning)**

Supplier should start Installation work within \_30\_ calendar days after receipt of consignment at ARAI and installation-commissioning at site is to be completed with all checks and tests within \_60\_ calendar days from receipt of consignment at ARAI. ARAI will ensure site readiness & provide the necessary utilities at site and will extend support for carrying out test/demonstration. In case installation and commissioning including report validation not completed within the \_60\_ calendar days due to fault of supplier, every week of delay will attract LD of 0.5% of Purchase Order value with a maximum ceiling of 5 %.

**ARAI, Pune reserves the right to cancel the order in case of excessive delay.**

## 25 Warranty / Support:

- 1 The bidder shall guarantee that all material, components used are in strict compliance with agreed requirements and specifications and the same shall be free from any manufacturing defects. The bidder shall guarantee that all materials and components shall be repaired or replaced as the case may be at its own cost in case found to be defective within a period of **24 months** from the satisfactory commissioning at site
- 2 The defects, if any, during the guarantee/warranty period are to be rectified free of charge by arranging free replacement wherever necessary. This includes cost, insurance, freight, custom duty, octroi, local taxes if any should be borne by the beneficiary or his agent. A clear confirmation should be given for this item.
- 3 The warranty on the associated software should cover providing of upgraded version/s, if any, released during the warranty period free of cost.
- 4 The bidder shall assure the supply of spare parts after warranty is over for maintenance of the equipment supplied as and when required for a period of five years from the date of supply of equipment on payment on approved price list basis.
- 5 The equipment must be supported by a Service Centre manned by the principal vendor's technical support engineers. The support through this Centre preferably be available 24 hours in a day, seven days a week and 365 days a year. Also it should be possible to contact the Principal's vendor support Centre on a toll free number/web/mail.
- 6 An undertaking from the manufacturer is required in this regard stating that they would facilitate the bidder on regular basis with technology / product updates & extend support for the warranty as well.
- 7 The vendor will have to arrange for all the testing equipment & tools required for installation, testing & maintenance etc.
- 8 The principal vendor must have a local logistics support by maintaining a local spares depot in the country of deployment of the equipment. This is to ensure immediate delivery of spares parts from Principal Vendor of equipment to its channel partner/system integrator.
- 9 Details of onsite warranty, agency that shall maintain during warranty and undertake Annual Maintenance Contract / Comprehensive Service Maintenance Contract beyond warranty shall be given in the offer. In case of foreign quote, the Indian Agent who shall maintain during warranty and AMC beyond warranty shall be given in the Technical Offer.
- 10 Unless specified, Warranty shall include min.2 preventive maintenance visits per year and unlimited break down visits. supplier shall commit down time not more than 72 hours. The representative of the machine supplier shall attend to the breakdown within 48 hours after the problem is reported via email or phone from ARAI. Online Support shall be within 24 hrs from the intimation.

## **25.01 Scope of Comprehensive AMC: —**

~~For 3<sup>rd</sup>, 4<sup>th</sup> & 5<sup>th</sup> year comprehensive AMC cost is asked in tender, its scope is as per below~~

- ~~1) This is a comprehensive Annual Maintenance Contract for equipment where Original Equipment Manufacturer (OEM)/ contractor shall at its own cost and expense attend, replace and install materials which get consumed, wear out due to ageing in the normal course of operation as well as attend failures/breakdowns / out of course repairs of equipment including components, assembly/sub-assembly, electronic cards etc. for efficient and reliable operation of equipment under AMC. During the maintenance period OEM/contractor shall arrange transport of man and material at its own cost as and when required for maintenance of the equipment.~~
- ~~2) The contract shall be comprehensive in nature wherein preventive as well as Breakdown Maintenance of Equipment shall be carried out by the supplier / contractor including the arrangement of spares, tools, consumables, technical expertise, man power and replacement of defective parts/items, calibration (wherever applicable) etc.~~
- ~~3) The maintenance and support by the contractor shall consist min.2 preventive maintenance visits per year and unlimited break down visits. supplier shall commit down-time not more than 72 hours. The representative of the machine supplier shall attend to the breakdown within 48 hours after the problem is reported via email or phone from ARAI. Online Support shall be within 24 hrs from the intimation.~~

- 26** All layouts, designs, drawings, calculations generated under this contract shall be owned by ARAI. ARAI shall not be obliged to return any of the above to bidder at any time.

**27 Buy-Back Offer:**

When it is decided with the approval of the competent authority to replace an existing old Item (s) with a new and better version, the ARAI may trade the existing old item while purchasing the new one. The prospective and interested bidders can formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder shall be decided and relevant details in this regard suitably incorporated in the Purchase Order. However, it may be noted that, ARAI reserves the final right to trade or not to trade the item while purchasing the new one.

**28 Force Majeure**

ARAI, Pune may consider relaxing the penalty and delivery requirements, as specified in this document, if and to the extent that the delay, in performance or other failure to perform its obligations under the Contract, is the result of a Force Majeure.

Force Majeure is defined as an event of effect that cannot reasonably be anticipated such as acts of God (like earthquakes, floods, storms etc.) acts of states, the direct and indirect consequences of wars (declared or undeclared) hostilities, national emergencies, civil commotion and strikes at successful Bidder's premises.

## **29 Arbitration**

All disputes of any kind arising out of supply, commissioning, acceptance, warranty maintenance etc. shall be referred by either party (ARAI, Pune or the bidder) after issuance of 30 days' notice in writing to the other party clearly mentioning the nature of dispute to a single arbitrator acceptable to both the parties. The venue for arbitration shall be ARAI, Pune, India. The jurisdiction of the courts shall be Pune, Maharashtra, India.

## **30 Jurisdiction**

Disputes concerning procurements of ARAI shall be subject to the jurisdiction of competent courts in Pune or the Mumbai High Court.

## **31 Bidders Compliance to all conditions mentioned above –(Yes /No)**

All the conditions spelt out above will form the standard terms and conditions of the purchase order. In case of Deviation to any of the above conditions, bidder must submit a deviation sheet in technical cover, i.e. in cover 1

## **32 The provisions of Public Procurement (Preference to Make in India) will be applicable as per guidelines of GOVT.OF INDIA. Related orders may be accessed at DPIIT's website <https://dpiit.gov.in/public-procurements>**

**33) Bidder may have to sign NON DISCLOSURE AGREEMENT with ARAI (wherever applicable).**

**34) Provisions under rule 144 (xi) of GFR will be applicable for this tender.**

**35) Bidder shall submit the declaration about country of origin for the Quoted equipment in technical bid as per chapter-VII**

**36) Latest notifications of Govt. of India will be referred for concluding the result of tender.**

## Chapter – V

### TENDER ACCEPTANCE LETTER (To be given on Company Letter Head)

Date:

To,  
The Automotive Research Association of India, Pune \_\_\_\_\_

Sub: Acceptance of Terms & Conditions of Tender.

Tender Reference No: \_\_\_\_\_

Name of Tender / Work: - \_\_\_\_\_

Dear Sir,

1. I / We hereby certify that I / we have read the entire terms and conditions of the tender documents (including all documents like annexure(s), schedule(s), etc.), which form part of the contract agreement and I / we shall abide hereby by the terms / conditions / clauses contained therein.
2. The corrigendum(s) issued from time to time by your organization too have also been taken into consideration, while submitting this acceptance letter.
3. I / We hereby unconditionally accept the tender conditions of above-mentioned tender document(s) / corrigendum(s) in its totality / entirety, except the deviations mentioned separately in technical bid.
4. I / We do hereby declare that our Firm has not been blacklisted/ debarred by any Govt. Department/Public sector undertaking.
5. I / We certify that all information furnished by our Firm is true & correct and, in the event, that the information is found to be incorrect/untrue or found violated, then your department/ organization shall without giving any notice or reason therefore or summarily reject the bid or terminate the contract, without prejudice to any other rights or remedy.
6. I / We understand that ARAI reserves the right to amend, alter, modify, and amplify the specifications or quantum of procurement at any time before orders are finally placed on the selected bidder. ARAI also reserves the right to scrap the entire process of procurement at any stage before the orders are placed on the bidder(s) without assigning any reason.
7. Deviation to any term/ condition is attached herewith as a separate annexure /sheet.
8. I/ We hereby declare that if we withdraw or modify our Bids during the period of validity, or if we are awarded the contract and we fail to sign the contract, or to submit a performance security (if called for) before the deadline defined in the tender document, then we will be suspended for a period of 1 year to submit Bids for contracts with ARAI.

Yours Faithfully,

(Signature of the Bidder, with Official Seal)

## Chapter – VII

### Declaration

(Declaration must be on Company letterhead)

#### Tender Enquiry: -

I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered. The **country of origin** of the offered product is

---

Note: - If, the bidder is having registration with the Competent Authority, evidence of the same shall be attached.

Signature: -

Name of competent Authority:

Designation: -

Date: -

(to be printed in letter head)

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## **ANNEXURE-B**

### **Self-Certification under preference to Make in India order Certificate**

In line with Government Public Procurement Order No. P-45021/2/2017-PP (BE-II) dated 04.06.2020 and its amendments, we hereby certify that we M/s \_\_\_\_\_ are local supplier meeting the requirement of minimum local content i.e., \_\_\_\_\_.% as defined in above orders for the material against Enquiry/Tender No.....dated..... Details of location at which local value addition will be made as follows:

\_\_\_\_\_.  
We also understand, false declarations will be in breach of the code of integrity under rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151(iii) of the General Financial Rules along with such other actions as may be permissible under law.

Thanking You

\_\_\_\_\_  
**Signature with date:**

**Name:**

**Designation:**

**Official Seal:**

**CHAPTER IV**  
**Technical specifications & scope of supply/service**

**Eligibility criteria:**

<b>Sr. No.</b>	<b>Eligibility criteria</b>	<b>Bidder Remark</b>
1)	Appointed CA person should have minimum experience of 3-5 years. Designated CA should be available at ARAI on need basis.	
2)	NOC required from ARAI, in case if firm takes any auto-PLI related project with any other test agencies notified under Auto-PLI	
3)	Firm should have minimum 25nos manpower which includes minimum 10nos of CA and operational office in Pune since last 5 years.	
4)	CA firm should have experience of any PLI scheme assessment ( SOP is attached below for ready reference)	
5)	The deputed officials at ARAI from the firm should be at least Inter/CA or ICWA and deputed team should follow ARAI office timing (working hours).	

**Scope of Work:**

<b>Scope of Work- CA firm</b>		
<b>Sr no</b>	<b>Description</b>	<b>Bidder Remark</b>
1	Bidder to go through and get acquainted with SOP released by MHI, dated 27th April 2023	
2	Preliminary checking of the application with annexures along with checklist and communicating prima facie discrepancies and document requirement if any to ARAI in 3 to 5 working days.	
3	Preparation of Draft letters addressed to PLIC-ARAI communicating discrepancy and further requirement time to time.	
4	Checking and reviewing of applications received in detail as per MHI SOP referred above.	
5	Review of BOM of applicants & suppliers and understanding the sourcing thereof.	
6	Review of MPFD of applicant and major suppliers.	
7	Cross-checking suppliers credentials w.r.t registration and tax payments and returns from GST portal.	
8	All the undertaking of tier-I suppliers as per Annexure-IV needs to be verified.	
9	All the GST invoices declared in Annexure VI need to be checked thoroughly. Checking of GSTR-2B of the applicant as against Annexure VI.	

10	All the bill of entries declared in Annexure VII need to be checked thoroughly. Checking of GSTR-3B, form 3CEB and form 15CA/CB of the applicant and supplier, to assess import content.	
11	Review of exempted items for imports for calculation of Domestic Value Addition (DVA)	
12	Reviewing of audited financial statements of applicant and major suppliers.	
13	Calculation, verification and certification of DVA as per MHI SOP. At least Annexure-III to Annexure-X of SOP need to be referred during DVA assessment.	
14	Review of documents of Tier-I, Tier-II and Tier-III suppliers and review of profile of the said suppliers.	
15	Field visit at applicant for verification of the DVA for applied AAT product throughout PAN India. If required field visit at identified suppliers is to be carried out.	
16	Application wise, complete data is to be stored and maintained at designated folder.	
17	Updating ARAI on periodic basis for ongoing status.	
18	Providing DVA certificate based on which ARAI can issue the certificate as Testing Agency.	
19	In case of DVA assessment of variant, complete bill of material of variant is to be referred by the firm.	
20	Firm should contribute during supplier selection for PIV 2	
21	At least 50 nos of assessments are projected for DVA assessment yearly.	
22	Providing solutions / expert domain opinions to ARAI from time to time in all stages of DVA assessment.	

**Other Terms and conditions:**

Terms and conditions	
1	Data shared during work should not be shared with any other entity without the knowledge of ARAI
2	If firm gives the series of SA certification to any manufacturer/ supplier, it should comply with confidentiality clause.
3	Access and processing of related data should be strictly within the ARAI data network. Data won't be accessed or shared with any virtual / online means e.g. MS teams etc
4	Firm should be well planned to support/face audit / legal hearing by other entity like CAG etc. Firm should enter indemnity bond with ARAI to indemnify ARAI from all claims arising out of firm's scope of work. In the event of any penalty / fine imposed by an authority for the firm's scope & if re-visit is required (PIV-1, PIV-2, TCA, PSA) then the expenses (Lodging/Boarding) for such re-visit will be borne by the firm.
5	Firm to comply on ongoing basis for any amendment in SOP, notifications released by MHI.
6	Basic Payment will be done as per case to case invoice after 30days. GST payment will be released after matching of invoice with GSTR2B.
7	ARAI reserves the right to split the order amongst the bidders considering the work as per timelines to be met and to avoid conflict of interest. In such case, negotiation will be done with respective bidder to match L1 prices.  Open PO for sanctioned amount (based on projected assessments) will be released to supplier. Actual invoice to be raised on monthly basis for the work completed during the month.
8	Out-of-pocket expenses and travel-related expenses (air, train, bus, taxi fare & lodging expenses) are to be borne by the CA firm, later they can claim from ARAI. However, capping limit for the travel (air, bus, train, and taxi) and lodging (hotel) as per the entitlement will be decided mutually with successful bidder/s.

Note: Quantity mentioned in price bid format is indicative for evaluation of L1 only and should not be considered as final. Certification assignments will be given by user dept. as per actual requirement.

**Production Linked Incentive (PLI) Scheme for Automobile  
and Auto Component Industry in India (PLI-AUTO)**

**Standard Operating Procedure  
(SOP) for Certification of  
Domestic Value Addition (DVA)**

27<sup>th</sup> April 2023

## **Amendment Record**

<b>Sr. No.</b>	<b>Version No.</b>	<b>Section / Clause / Para / line (as applicable)</b>	<b>Date of Amendment</b>	<b>Amendment made</b>	<b>Reasons of Amendment</b>
1.	1.0	-	26.04.2023	-	Initial Version
2.					
3.					
4.					
5.					

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## Abbreviations

AAT	Advanced Automotive Technology
ACC	Advanced Chemistry Cell
AFS	Audited Financial Statements
API	Application Programming Interface
BoM	Bill of Material
CMVR	Central Motor Vehicles Rules
CIF	Cost, Insurance and Freight
CoP	Conformity of Production
CWIP	Capital Work in Progress
DCCO	Date of Commencement of Commercial Operations
DoR	Department of Revenue
DVA	Domestic Value Addition
ERP	Enterprise Resource Planning
FADA	Federation of Automobile Dealers
FIFO	First in First out
FOB	Free on Board
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
GSTIN	Goods and Services Tax Identification Number
GSTN	Goods and Services Tax Network
ICEGATE	Indian Customs Electronic Gateway
IEC	Import Export Code
IRN	Unique Invoice Reference Number
LIFO	Last in First out
MCA	Ministry of Corporate Affairs
MoHUA	Ministry of Housing and Urban Affairs
MPFD	Manufacturing Process Flow Diagram
PIV	Plant Inspection Visit
PLI	Production Linked Incentive

PPA	Purchase/ Price Agreements
PPE	Property, Plant and Equipment
PSA	Periodic Surveillance Assessment
QMS	Quality Management System
QRR	Quarterly Review Reports
REM	Rare Earth Magnet
RM	Raw Materials
SEM	Semiconductor parts
SIAM	Society of Indian Automobile Manufacturers
SOP	Standard Operating Procedure
TA	Testing Agency
TCA	Techno-Commercial Audit
UDIN	Unique Document Identification Number
UT	Union Territories

## Introduction

Government has approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-AUTO) on 15<sup>th</sup> Sep 2021 with budgetary outlay of INR 25,938 Crore for a period of five years.

Ministry of Heavy Industries (MHI) has notified the PLI-AUTO Scheme and its Guidelines on 23<sup>rd</sup> Sep 2021 vide S.O. 3946 (E) and S.O. 3947 (E) respectively.

The Scheme proposes financial incentives to boost domestic capability of manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain. Its prime objectives include overcoming cost disabilities, creating economies of scale and building a robust supply chain in areas of Advanced Automotive Technology products. It will also generate employment. This scheme will facilitate the Automobile Industry to move up the value chain into higher value-added products.

As per para 3.3.2.2/ 3.3.3.2 of the Scheme Notification S.O.3946(E) dated 23/09/2021, *'Pre-approved eligible product with minimum 50% domestic value addition will be eligible for incentive under this scheme. Testing Agency of MHI will certify domestic value addition in the eligible product.'*

This Standard Operating Procedure (SOP) document is framed, as a mandate received from MHI, vide O.M. dt. 1<sup>st</sup> Feb 2023 and 10<sup>th</sup> Feb 2023, for Testing Agencies (TA) under MHI, for Certification of Domestic Value Addition (DVA) of Advanced Automotive Technology (AAT) Product(s) under the PLI-AUTO Scheme. Composition of the Committee of Testing Agencies is given in Annexure-I.

While framing the SOP, the Committee has conducted wide stakeholders consultation with approved applicants, Auto Industry Associations, representatives of DoR (Customs and GST), Ministry of Labor and Employment and considered the inputs received from them while framing this SOP. It was concluded that a comprehensive procedure consisting of **Desk Appraisal** and **Field Visits** to the applicants and their suppliers' manufacturing facilities, **Techno-Commercial Audit** of applicants and **Revalidation** or **Periodic Surveillance Assessment** would provide greater level of assurance to all the stakeholders. This SOP specifies such procedures in sufficient detail.

# **Standard Operating Procedure (SOP) for Certification of Domestic Value Addition (DVA) of Advanced Automotive Technology (AAT) Product under Production Linked Incentive Scheme for Automobile and Auto Component Industry in India (PLI-AUTO)**

## **1.0 Purpose**

- 1.1 This Standard Operating Procedure (SOP) specifies the procedure for Certification of Domestic Value Addition (DVA) of Advanced Automotive Technology Products under the Production Linked Incentive Scheme for Automobile and Auto Component Industry in India.
- 1.2 This document specifies the following:
- i) Application procedure for DVA Certification by the Applicant
  - ii) Initiation of Certification by Testing Agencies
  - iii) Procedure for Desk Appraisal
  - iv) Procedure for Field Visit of TA to Applicant's and Supplier's factory/ plant
  - v) Procedure for Techno-Commercial Audit
  - vi) Procedure for Revalidation or Periodic Surveillance Assessment
  - vii) Consequences of misrepresentation or non-compliance or fraud
  - viii) Data Security requirements
  - ix) Provision for Verification of Invoices through Government Portals like GSTN and ICEGATE, etc.

## **2.0 References**

The following are the relevant notifications/ guidelines and enactments that are referred to in this SOP

- 2.1 MHI Notification S.O 3946(E) dated 23rd Sep 2021
- 2.2 MHI Notification S.O 3947(E) dated 23rd Sep 2021
- 2.3 MHI Notification S.O 4632(E) dated 9th Nov 2021
- 2.4 Frequently asked questions (FAQ-I) for PLI Scheme for Automobile and Auto Component Industry (PLI-AUTO or 'the Scheme') dated 8<sup>th</sup> October 2021 published by MHI
- 2.5 FAQ-II dated 22<sup>nd</sup> Dec 2021
- 2.6 FAQ-III dated 11<sup>th</sup> May 2022
- 2.7 FAQ-IV dated 2<sup>nd</sup> Nov 2022
- 2.8 MHI Office Memorandum F.No.12(11)/2020-AEI(21370) dated 30<sup>th</sup> Nov 2022, "Format of Certificate for PLI Scheme for Automobile and Auto components"
- 2.9 The Companies Act, 2013
- 2.10 The Central Goods and Services Tax Act, 2017 and related legislation
- 2.11 The Income Tax Act, 1961 and related legislation
- 2.12 The Customs Act, 1962

### 3.0 Definitions

For this document, following definitions shall apply.

- 3.1 **Authorized Signatory** means Managing Director/ Director on the Board/ person authorized by the Board of Directors
- 3.2 **Guidelines** means MHI Notification S.O 3947(E) dated 23rd Sep 2021, as amended from time to time, along with FAQs issued from time to time
- 3.3 **Scheme Portal** means the website <https://pliauto.in>
- 3.4 **Scheme** means MHI Notification S.O 3946(E) dt. 23rd Sep 2021 as amended from time to time
- 3.5 **Statutory Auditor** means an auditor as defined under Section 139 and Section 141 of the Companies Act, 2013
- 3.6 **Testing Agency** means the testing agency of MHI listed in PLI-AUTO Scheme Portal

## 4.0 Application for DVA Certification

4.1 The application for approval of AAT and DVA certification shall be submitted by the applicant in the Scheme Portal along with the information specified below. The flowchart of the DVA certification process is included at Annexure-XI.

- a) **Application Form:** The Application form for AAT/ DVA Certification along with all enclosures/ attachments.
- b) **Fees:** Fees for Testing Agency.
- c) **Specification:** Manufacturer's Declared Specifications Document.
- d) **CMVR:** Applicable CMVR compliance.
- e) **Photos:** Photos of the applied AAT Product (front, side, rear and top view).
- f) **Exploded/ Blow-up view:** Exploded/ Blow-up view of AAT Product, along with the same information in tabular form indicating roadmap for indigenization during the Scheme period. The suggested coloring for major parts (as prescribed by TA) in blow-up diagram is as follows:
  - Imported parts in Red colour,
  - 100% local content: Green colour.

The Blow-up diagram/ same information in tabular form along with DVA should be provided as on:

- i) Prior to scheme implementation (i.e. prior to 01/04/2022, without exemption for ACC/ SEM/ REM)
  - ii) On the date of application for AAT and DVA Certification
  - iii) By the end of this scheme (i.e. 31/03/2027) – Expected DVA and year-wise roadmap for the same in phased manner and tabular format (as per Annexure-II).
- g) **MPFD of Applicant:** Brief description of manufacturing process of Applicant along with Manufacturing Process Flow Diagram (MPFD) showing raw material/ sub-part entry, inspection, assembly and final checkpoints.
  - h) **MPFD of Suppliers:** MPFD of major suppliers in terms of price of local content/ technological complexity/ manufacturer of AAT components/ recently localized components. A list of submitted MPFD of suppliers to be provided in format as per Annexure-III (Table III-2).

- i) **Undertaking from Tier-I Suppliers:** Undertakings/ Certificates from Tier-I suppliers for import contents, as per Annexure-IV. The onus is on the Applicant to verify accuracy of the Invoiced BoMs/ Certificates/ Undertakings furnished by its suppliers. In these Undertakings, the Tier-I Suppliers shall undertake that they have examined the entire bill of material of the part/ product supplied by them, including ascertaining import content by their Tier-I and Tier-II suppliers (i.e. Tier-II and Tier-III suppliers of Applicant) and accordingly, certify the import content at their level as well as at their suppliers' level. These undertakings are to be signed by Authorized Signatory of the Tier-I Supplier. These Undertakings are also to be certified by Statutory Auditor of the Supplier. However, in case of delays, the Applicant may submit the data duly certified by Independent Accounting Firm with UDIN number and self-certified by Authorized Signatory of the Supplier(s). The certificate from Statutory Auditor of the Supplier should be furnished within 6 months of submission of AAT application.
- j) **Invoiced BoM and DVA Calculation:** Invoiced Bill of Material (BoM) for calculation of DVA in the format as per Annexure-V (as per the details given below). It is clarified that Tier-I level means direct supplier to the applicant (whether automobile or auto component manufacturer). Tier-II is supplier to Tier-I, Tier-III is supplier to Tier-II and so on. In case, Applicant has arrangement with multiple suppliers for sourcing the same child parts, then details of all such suppliers are to be provided along with weighted average of import content and DVA% for such parts.

Annexure-V (Formats of Invoiced Bill of Material (BoM) to be furnished by the Applicant for one complete AAT Product)

Table V-1. Details at Tier-I Level

Table V-2. Details of Parts corresponding to Exempted Items

Table V-3. Details of Direct import by Applicant

Table V-4. DVA calculation of AAT Product

Table V-5. Details at Tier-II & III Level (For those components, as required by TA):

- k) **Royalty:** Details regarding policy on royalty/ license/ technical know-how expenses, if any. Applicant to explain the mechanism for calculating/ charging royalty and provide details of royalty/ license/ technology agreements to TA. The Applicant must clearly indicate the amount of royalty being paid per applied AAT product under this Scheme (in format as Annexure-V, Table V-3) and frequency of payment.

- l) **Import of services:** Details regarding imported/ non-originating services being availed in the manufacturing of the applied AAT product. Import of all services including royalty/ license/ technical know-how expenses/ as per provisions of GST and Customs legislation, to be taken into account for calculation of DVA in the format as per Annexure-V.
- m) **Policy on Discounts and Dealer Margins:** Applicant's policy for providing discounts to dealers/ customers, including details of discounts provided on the applied AAT product in the last 12 months. A schedule of dealer margins and dealer discounts/ schemes offered in last 12 months for the applied product including in the following cities needs to be necessarily provided (in format as per Annexure-X):
- a. Million plus cities as per 2011 census;
  - b. Smart cities as notified by MoHUA;
  - c. Satellite towns connected to 7 metros (Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore and Ahmedabad);
  - d. Major Cities of Special Categories State/ UTs;
  - e. The capital city of all states/ UTs not covered in the above categories.
- n) **Certification by Statutory Auditor:** Invoiced BoM and DVA (as per the formats at Annexure-V) to be jointly certified by Statutory Auditor and Authorized Signatory of Applicant. However, in case of delays, the applicant may submit DVA certificate and Invoiced BoM duly certified by Independent Accounting Firm with Unique Document Identification Number (UDIN number) and self-certified by Authorized Signatory of the Applicant. The certificate from Statutory Auditor should be necessarily furnished within 6 months from the date of submission of application for AAT/ DVA Certification. The imports disclosed in Annexure-V, Table V-4 will be based on Applicants' own imports and imports up to Tier-III. Imports beyond Tier-III will be based on their estimates.
- o) **GST Invoice(s):** Applicants are required to submit details of GST invoices pertaining to AAT product for direct local procurement (in the format as per Annexure-VI).
- p) **Bill(s) of Entry:** Commercial invoices and Bill(s) of Entry (BoE) for imports by Applicant. List of all BoE shall be furnished for direct imports, in format as per Annexure-VII.

- q) **Turnover, Import and Import attributable to the Applicant:** Following details to be submitted for suppliers (details for tier-I are mandatory, for other tiers – if required by TA): Revenue from Operations for last FY, Total Imports for last FY, Estimated Imports of suppliers attributable to Applicants in last FY, in the format as per Annexure-III (Table III-1).
- r) **Purchase/ Price Agreements (PPA) and Revenue to PPE ratio of suppliers:** PPA between the Applicant and its suppliers (details for tier-I are mandatory, for other tiers – if required by TA) which clearly shows import content in the covered items. List of PPAs, Average Gross Block of Property, Plant & Equipment (PPE) for the last financial year (FY), Revenue from Operations for last FY to be included as per Annexure-III (Table III-2). The Applicant is required to submit policy for assessing import content in the components procured, if PPA is not addressing the aspect of import content.
- s) **Applicant's SOP:** Applicant's SOP for calculation and maintaining DVA data as detailed in para 5.5.1.
- t) **ERP to be aligned with this SOP:** Enterprise Resource Planning (ERP) software system of the Applicant should be aligned to this SOP and programmed to calculate DVA accordingly. If required a suitable interface system may be developed. This ERP/ interface system shall communicate with the Scheme Portal through API for transfer of DVA% related data.
- u) **Address of manufacturing unit(s):** The Applicant has to provide the details where manufacturing of applied product is being carried out as well as date of commencement of commercial operations (DCCO) for the applied product.
- v) **Ex-Factory Price:** The Applicant has to provide GST Invoice for Ex-Factory Price of applied AAT Product.
- w) **Checklist:** The Applicant to ensure that its application is complete in all aspects and all the documents as specified in the detailed checklist as per Annexure-VIII are included.
- x) **Affidavit:** Applicant to submit an Affidavit in format as per Annexure-IX which provides for consequences of misrepresentation, non-compliance and fraud.

**Verification through Government Portals:** Information/ documentation submitted by an applicant can be verified by the Testing Agency on the basis of reports/ information as available on government portals like GSTN, ICEGATE, etc., to the extent necessary. The applicant would be required to facilitate for such information verification.

**Online Submission of Application to TA:** Scheme Portal is being upgraded to incorporate submission of aforesaid documents. However, if the application/ document(s) cannot be uploaded on the Scheme Portal, then it may be submitted to Testing Agency through electronic means/ hard copies.

- 4.2 **Selection of TA:** Applicant may select any one of the Testing Agencies from the drop-down list available in the Scheme Portal for the corresponding AAT vehicle or component.
- 4.3 **Internal Procedure of TA:** Applicants may refer to the internal procedure followed by Testing Agency(ies) for AAT product approval at the website of respective Testing Agency. All Testing Agencies will publish their internal procedure on their respective websites.

## **5.0 Desk Appraisal of Application for Certification of DVA**

### **5.1 Initiation of Certification by Testing Agencies**

- 5.1.1 Procedure for certification of DVA of AAT products shall be started by TA after commencement of commercial operations of AAT Product by Applicant. This shall be confirmed by TA from the Applicant before starting assessment against the submitted application.
- 5.1.2 Testing Agency (TA) shall constitute a team of appropriate size comprising of Engineer(s) (of relevant field) and Chartered Accountant(s) for carrying out DVA certification.
- 5.1.3 TA shall login to their account at <https://pliauto.in> (Scheme portal) and select the application submitted to them for processing.
- 5.1.4 As per 6.5.2 of Guidelines S.O.3947(E), dated 23/09/2021, TA has to decide on application for approval of AAT product within 90 days from the date of application.

### **5.2 Preliminary Verification of Application**

- 5.2.1 TA shall perform a preliminary check of the AAT Application as per checklist

included at Annexure-VIII, to see if all the required information is available to carry out the DVA certification.

5.2.2 This preliminary check should be completed by the TA within 7 working days. In case there are any gaps in information/ data submission by Applicant based on preliminary check then TA shall return the application to Applicant for updation / modification.

- i) The gaps/ reasons for returning application shall be recorded in the 'Comments for Return' textbox in Scheme portal.
- ii) It is clarified that in case there are only minor deficiencies in the application and if the Applicant has agreed to address the same in a time-bound manner, then in the interest of time, TA may carry forward the certification process for DVA.

### **5.3 Verification of Ex-Factory Price of the product (net of GST)**

5.3.1 TA shall verify GST invoices submitted by the Applicant for verification of Ex-factory price of the applied AAT product.

5.3.2 In case the Applicant is a Champion OEM as per this Scheme and has a practice of providing discounts (whether based on volume, turnover, target, etc.), and these discounts exceed the dealer/ channel margin then the discount in excess of the dealer/ channel margin shall be reduced from the Ex-factory price. Average discount of last 12 months to be referred. Information to be furnished in format as per Annexure-X.

The Testing Agency may seek assistance from industry bodies like FADA or SIAM to gauge the prevalent industry standards with respect to dealer/ customer margins.

### **5.4 Verification of Imports and Revenue to PPE Ratio of Suppliers**

5.4.1 TA to verify Bill(s) of Entry (BoE) from ICEGATE portal as submitted by the Applicant as per Annexure-VII.

5.4.2 Applicant shall provide latest audited financial statements of major suppliers. The financial statements of suppliers are being obtained to check whether the entity predominantly carries out trading activities or whether it incurs reasonable costs towards manufacturing activities in India.

- i) TA to calculate ratio of 'Revenue from Operations' to 'Average Gross Block of Property, Plant and Equipment (PPE)' for the latest audited financial year. This ratio (Revenue/ PPE) shall be verified against major suppliers of Applicant in terms of price of local content as per format at Annexure-III (Table III-2).
- ii) Average PPE shall be calculated as average of Opening PPE and Closing PPE for the last financial year.
- iii) Land should be excluded in PPE.
- iv) Leased assets shall be included in PPE, however, capital work in progress (CWIP) should not be included in such PPE.
- v) In case this ratio is abnormally high then, TA to shortlist such supplier for PIV.

## 5.5 Verification of Applicant's SOP for DVA

5.5.1 The Applicant is required to submit their SOP for calculation and maintaining DVA data along with process for maintaining audit trail as per time period under Statutory provisions under Income Tax Act/ CGST Act/ General Financial Rules/ GoI instructions, whichever is higher. Applicant's SOP should be duly signed by its Authorized Signatory. Applicant is expected to review and update its DVA at least on a quarterly basis.

The Applicant's SOP should include mandatorily the following points, *inter-alia*:

- a) **Verification of supplier's DVA:** The Applicant should explain the detailed mechanism followed for verifying the DVA% of the procurements made from the suppliers. The SOP should entail the checks and balances applied, confirmations, data collation processes, revalidation periodicity, treatment for change in supply chain, etc.
- b) **Royalty agreements:** Royalty, license, technical know-how expenses paid to entities outside India, if any, should be treated as import content for DVA computation. The royalty payment evidence should be aligned with the computation determined in the royalty agreements. Applicant to explain the mechanism for calculating/ charging royalty.
- c) **Service imports:** The Applicant should provide details of all the

imported services being availed for the manufacturing of AAT product and its corresponding treatment in the DVA computation.

- d) **Stock consumption reports:** Applicant's SOP should incorporate the treatment of opening and closing stock of raw materials in the overall DVA computation.
- e) **Foreign exchange fluctuations:** The SOP of the Applicant should entail a process to capture the impact of foreign exchange fluctuations on the import procurements' values, if any, and its related treatment in the DVA%.
- f) **Review of Discounts:** The SOP of the Applicant (Champion OEM) should have review mechanism to assess discounts (whether based on volume, turnover, target, etc.) and dealer margins to review information furnished as per format at Annexure-X.
- g) **ERP:** Enterprise Resource Planning (ERP) software system of the Applicant should be aligned to this SOP and programmed to calculate DVA accordingly. Alternately, an interface system may be developed for this purpose. This ERP/ interface system shall communicate with the Scheme Portal through API for transfer of DVA% related data.

5.5.2 TA to check the SOP of Applicant for calculation and maintaining DVA data along with process for maintaining audit trail which has been approved by Authorized Signatory of the Applicant.

## **5.6 DVA Verification by TA**

5.6.1 As per para 2.26 of the Scheme Guidelines S.O.3947(E) dated 23/09/2021, *domestic value addition = [(Ex-factory price of the product (net of GST) – (minus) Import content i.e. sum of FOB value of all imported components or materials in the final product including import duties) / Ex-factory price of the product (net of GST)] x 100.*

5.6.2 For exemptions, please refer Exempted value of Advanced Chemistry Cell (ACC), Semiconductor parts (SEM) and Rare Earth Magnet (REM) as per FAQs-IV dated 02/11/2022 for PLI-AUTO Scheme and information furnished by the Applicant as per Annexure-V (Table V-2 and Table V-4).

## **5.7 DVA Verification Methodology**

5.7.1 **Formats directly used for verification of DVA:** The following formats

submitted by the Applicant lead to direct calculation of DVA. This is summarized in the table below:

#	Annexure/ Table	Brief Description	Action by TA
1	V-1	Details of Import contents at all levels except Applicant	TA to verify the import content against Suppliers Undertakings (vide Annexure-IV), Bill(s) of Entry (vide Annexure-VII) and PPA (vide Annexure-III, Table III-2). If any approved AAT component is used, DVA to be verified from the records of approving TA.*
2	V-2	Details of Parts corresponding to Exempted Items	
3	V-3	Details of Direct import by Applicant	
4	V-4	DVA calculation of AAT Product	
5	V-5	Details at Tier-II & III Level	
6	Annexure-VI	Details of GST Invoices pertaining to AAT product for direct procurement by Applicant	TA to check from GSTR-2A and 2B report shared by the Applicant.
7	Annexure-X	Range of Discounts	TA to consult FADA and SIAM.

\* TA may also refer ICEGATE portal for verification of Bills of Entry.

**5.7.2 Formats used for further verification of DVA:** The following formats submitted by the Applicant lead to direct calculation of DVA. This is summarized in the table below:

#	Annexure / Table	Brief Description	Action by TA
1	Annexure-II	Roadmap for Indigenization	a) TA to check for current level of maturity of technology in the country and feasibility of the roadmap. b) Identify suppliers/ processes that need detailed scrutiny.
2	Table III-1	Details of revenue from operations and imports, imports attributable to Applicant, in respect of Suppliers (Tier-I/II/III) to the applied AAT product	a) Indirect check for domestic manufacturing capability of suppliers. b) Verify Undertaking given by the Tier-I Supplier. c) Identify suppliers/ processes that need detailed scrutiny.
3	Table III-2	Details of documents submitted in respect of Suppliers for MPFD	a) MPFD to be checked at the time of PIV/ TCA/ PSA.

- 5.7.3 In the case of imported parts, since the source of origin is not local, the same may not need further checking. For imported parts, only the value is to be checked to see that value is not being under-declared.
- 5.7.4 For any parts, where source of origin/ import content cannot be ascertained by the Applicant, the same should be treated as imported for DVA calculation.
- 5.7.5 The Applicant's BOM would comprise multiple parts and products of varying value and local content. The testing agency may categorize the entire BOM on the basis of value, import content, technological complexity, etc., and thereafter, prepare a Field Visit plan for execution. The sample size would be selected by the testing agencies as per their prudence and discretion.

## **6.0 Field Visit**

### **6.1 Visit of TA to Applicant's Factory / Plant (PIV-1)**

- 6.1.1 **Purpose:** The main purpose of field visit of AAT Applicant's and its suppliers' manufacturing plant(s) is for factual verification and ascertaining of manufacturing of AAT product by the Applicant vis-à-vis submitted application and desk appraisal. TA will check manufacturing process, manufacturing flow diagram, details of QMS certification, control plan, ERP system, Applicant's SOP for DVA, etc. TA will identify major/ critical suppliers (at all tiers) to AAT product manufactured by the Applicant for the purpose of field visit.
- 6.1.2 TA shall visit the manufacturing facility(ies) of the AAT Applicant to conduct Plant Inspection Visit (PIV), where the manufacturing of the submitted AAT product is done.
- 6.1.3 During Plant Inspection Visit (PIV), TA shall verify/ observe the following and correlate the same with the submitted BoM/ MPFD/ import declarations:
- i) Invoices and Invoiced BoM.
  - ii) Raw Materials (RM)/ Inputs in RM stores along with country of origin.
  - iii) Requisite plant, machinery, equipment and associated utilities required for manufacturing of the submitted AAT product have been installed/ put to use, in accordance with the BoM and Manufacturing Process submitted by the Applicant.
  - iv) Whether inputs being used at the manufacturing/ production line are same as that specified in BoM/ MPFD.
  - v) Manufacturing Process of submitted AAT product is in line with MPFD.
  - vi) Critical document verification like checking of PPA, imports, royalties, policy for discounts, Applicant's SOP for DVA, etc.
  - vii) Level of employment – direct and contractual.
  - viii) Check the Enterprise Resource Planning (ERP) software system being used by the Applicant for managing its procurement, manufacturing, inventory, sales, investment, etc. ERP shall communicate with the Scheme Portal through API for transfer of DVA% related data.
- 6.1.4 TA shall take requisite number of Geo-tagged photos (indicating coordinates

of factory premises with date and time stamp) during plant visit site.

6.1.5 The report must give clear conclusions i.e. whether the product meets the requirement as specified in PLI-AUTO Scheme and Guidelines, including DVA.

6.1.6 If required, TA may visit Factory/ Plant of Applicant's suppliers also. In this case, the procedure given in clause 6.2 shall be followed.

## **6.2 Visit to Supplier's Factory / Plant (PIV-2)**

6.2.1 TA to visit requisite number of suppliers plants, to verify the manufacturing activities being carried out at such units as a part of Plant Inspection Visit (PIV-2). It will be the onus of the Applicant to arrange/ facilitate the visit to suppliers plants by TA.

6.2.2 Applicant/ Supplier shall provide Manufacturing Process Flow Diagram (MPFD) for major suppliers.

6.2.3 TA shall verify/ observe the following during the plant visit and correlate the same with the submitted BoM/ MPFD/ import declaration:

- i) Raw Materials (RM)/ Inputs in RM stores along with country of origin.
- ii) Requisite plant, machinery, equipment and associated utilities required for manufacturing have been installed/ put to use.
- iii) Whether inputs being used at the manufacturing/ production line are same as that specified in BoM/ MPFD.
- iv) Manufacturing Process is in line with MPFD.
- v) Critical document verification like checking of imports, royalties, etc.
- vi) Technical parameters/ capacity utilization/ throughput (parts per hour) at critical equipment and at the overall production line.
- vii) Operating hours per day and operating days per year.
- viii) Level of employment – direct and contractual.
- ix) Check the Enterprise Resource Planning (ERP) software system being used by the Supplier for managing its procurement, manufacturing, inventory, sales, investment, etc.

6.2.4 TA shall take requisite number of Geo-tagged photos (indicating co-ordinates

of factory premises with date and time stamp) during plant visit site.

- 6.2.5 The report must give clear conclusions i.e. whether the product meets the requirement as specified in PLI-AUTO Scheme and Guidelines, including DVA.

### **6.3 Conclusion from PIV**

Based on PIV and Desk Appraisal, TA is required to confirm the following:

“Based on the satisfactory field visit(s) to manufacturing plant(s) of AAT Applicant and its suppliers, it is certified that:

1. The AAT Applicant is carrying out manufacturing process as per the submitted MPFD,
2. The DVA is --- and is greater than or equal to 50%
3. The applied product qualifies as AAT product as per PLI-AUTO Scheme
4. This assessment is subject to satisfactory techno-commercial audit within 6 months from the date of application for AAT certificate.”

### **7.0 Issue of AAT Certificate**

- 7.1 After successful verification of DVA and Plant Inspection Visit (PIV), AAT/ DVA certificate shall be issued to the applicant.
- 7.2 AAT Certificate shall have a validity of one year from the date of issue of the certificate subject to successful qualification in TCA and continued compliance of Scheme Notification/ Guidelines/ FAQs/ AAT certificate.
- 7.3 If DVA is ascertained to be less than 50% by a Testing Agency, an Applicant may reapply for AAT certificate for the same product/ model/ variant, only to the same Testing Agency.

## **8.0 Techno-Commercial Audit (TCA)**

### **8.1 Purpose**

The main purpose of TCA of AAT Applicant's and its suppliers' manufacturing plant(s) is to conduct detailed financial verification of Invoiced BoM and DVA, documents submitted by the Applicant in support of its AAT application, any changes in the manufacturing process and/or raw materials, any technical changes or variations in AAT product, change in DVA due to changes, if any, in supply chain, etc. viz-a-viz data submitted in the AAT application.

### **8.2 Methodology**

- 8.2.1 TA shall carry out detailed Techno-Commercial audit within 6 months from date of application for AAT/ DVA certification. TA shall constitute a team of appropriate size comprising of Engineer(s) (of relevant field) and Chartered Accountant(s) for carrying out TCA.
- 8.2.2 Techno-commercial audits will involve Visit of TA to Factory/ Plant of Applicant and their suppliers.
- 8.2.3 Fees for these audits shall be charged by TA to the Applicant.

### **8.3 Visit of TA to Factory/ Plant of Applicant & Suppliers**

- 8.3.1 The applicant will facilitate audit of its own premises/ manufacturing facilities/ plants/ documents by making available the required information/ documents/ site visit/ etc., to the audit team.
- 8.3.2 TA to also visit requisite number of suppliers plants, to verify the manufacturing activities being carried out at such units as a part of Techno-Commercial audit of the applicant. It will be the onus of the Applicant to arrange/ facilitate the visit to suppliers plants by TA.
- 8.3.3 During Techno-Commercial audit, TA shall among other things, verify/ observe the following in addition to the points covered in PIV-1 & PIV-2:
  - i) Verify if some new Plant & Machinery is installed and capitalized after the last PIV.
  - ii) Verify Statutory Auditor's certificates, if it was not submitted at the time of application and/ or during PIV.

- iii) Adherence to Applicant's SOP for DVA and clear identification of deviations, if any.
- iv) Variations in DVA in last 6 months and communicated to DVA.
- v) Consequences of change in supply chain or critical items – their impact on DVA and technical specifications.
- vi) Sample verification of discounts and dealer margins including visit to dealers.
- vii) Reconciliation of Quarterly Review Reports (QRRs) submitted on Scheme Portal with the Books of Accounts and statutory returns.
- viii) Sample verification of documents/ information submitted at the time of AAT application using the login credentials of the Applicant at the GSTN, ICEGATE, MCA, EPFO, Income Tax portals, etc.
- ix) Verification of royalty and imported service payments during last 6 months.

8.3.4 TA shall take requisite number of Geo-tagged photos (indicating co-ordinates of factory premises with date and time stamp) during plant visit site.

## **8.4 Conclusion from TCA**

Based on TCA, TA is required to confirm the following:

"Based on the satisfactory completion of Techno-commercial Audit of manufacturing plant(s) of AAT Applicant and its suppliers, it is certified that –

- a) The DVA is ---- and is greater than or equal to 50% / (less than 50%) as against the initial certified DVA of ----.
- b) The Applicant's SoP for DVA is found to be in order.
- c) No adverse change(s) found in the AAT product, its manufacturing process and supply chain vis-a-vis initial certification.
- d) The applied AAT product continues to comply / (does not comply) with the requirements of PLI Auto Scheme Notification/ Guidelines/ FAQs till the validity of initial AAT certificate.
- e) Periodic Surveillance Audit / Revalidation shall be established within 1 year from the date of issue of initial AAT certificate. Applicant shall apply to the Testing Agency for Revalidation at least 4 months prior to the expiry of AAT certificate."

## **9.0 Revalidation or Periodic Surveillance Assessment (PSA)**

### **9.1 Purpose of Revalidation or PSA of AAT Product**

The main purpose of PSA/ Revalidation is to verify continued compliance (Conformity of Production) of AAT product in compliance to the requirements of PLI-AUTO Scheme notification/ guidelines/ FAQs/ AAT certificates. This shall include technical evaluation of randomly selected AAT product sample and fresh certification of DVA. This will also involve plant inspection visits and techno-commercial audit of manufacturing plant(s) of Applicant and its major suppliers to verify any adverse change in localization, technology, supply chain, etc.

### **9.2 Application for Re-Validation or PSA by Applicant**

- 9.2.1 Re-Validation/ PSA shall be carried out annually by the same TA who had issued the initial certificate. The procedure for Re-Validation/ PSA will be same as for initial AAT application and TCA.
- 9.2.2 TA shall select random samples from the Applicants' Production Line. At the time of Re-Validation, the TA to check whether the points raised during TCA have been complied with by the Applicant. TA may at its own discretion, not undertake Re-Validation, if TCA observations have not been complied with.
- 9.2.3 The applicant shall approach the concerned TA for undertaking Re-Validation/ PSA of the AAT Product at least four (04) months prior to expiry of the AAT certificate by submitting online application through the Scheme Portal.
- 9.2.4 Every TA has to maintain a calendar for this activity. TA shall ensure timely completion of Re-Validation/ PSA activity of the AAT Product.

### **9.3 Conclusion from PSA**

Based on PSA, TA is required to confirm the following:

"Based on the satisfactory PSA / Revalidation of AAT product of the Applicant, it is certified that:

1. The DVA is --- and is greater than or equal to 50% / (less than 50%)
2. The AAT product continues to comply / (does not comply) with requirements of PLI-AUTO Scheme notification/ guidelines/ FAQs
3. This revalidation certificate is subject to satisfactory techno-commercial audit of the AAT Applicant within 6 months from the date of application for PSA."

## **10.0 Consequences of Misrepresentation, Non-compliance and Fraud**

- 10.1 Applicants would be required to furnish an Affidavit cum Undertaking on Rs.500/- non-judicial stamp paper certifying that all data/ information submitted by it are true and correct and have been signed by Authorized Signatory. Format of the Affidavit cum Undertaking is included as Annexure-IX.
- 10.2 It will be the responsibility of the Applicant to ensure that all data submitted to TA is true and correct. In case there is any adverse change in any of the data impacting DVA/ incentive eligibility of the applicant, post obtaining AAT certificate, it will be the responsibility of the applicant to bring the same to the notice of TA.
- 10.3 It will be the responsibility of the Applicant to apprise the Testing Agency about any change in AAT Product including changes in supply chain/ sourcing post obtaining AAT Certificate, that may lead to an adverse impact/ reduction in the DVA%.
- 10.4 In case TA finds that Applicant has resorted to misrepresentation/ suppression of material facts/ committed fraud of any kind, then TA reserves the right to revoke the AAT Compliance Certificate issued to the Applicant and make suitable recommendations to MHI for recovery of any incentive monies disbursed to the Applicant.

## **11.0 Data Security**

- 11.1 TA to take care to maintain secured access to all invoices/ BoEs/ PPAs. All invoice/ BoE/ PPA to be preferably obtained in soft copy (PDF, JPEG, etc.), however, if required hard copies may also be accepted. The soft copies of invoice/ BoE/ PPA should be maintained on a secure file server with restricted access only to the concerned team.
- 11.2 The records should also be maintained in duplicate at a Disaster Recovery site. Likewise, hard copies of invoices/ BoE/ PPA (if obtained) should be kept at a secured location with restricted access only to the concerned team.
- 11.3 If the Applicant desires, TA (along with its specific team members) shall enter into a Non-Disclosure Agreement (NDA) with the respective Applicant.
- 11.4 In order to prevent data proliferation, the report from TA after verification of all relevant details, should be a summary along with definitive conclusions. The report should not contain commercial details such as invoice, BoE, PPA, suppliers' declarations, auditor's detailed reports, etc. It is clarified that TA shall make available all relevant details and documents, if specifically sought by MHI.
- 11.5 Applicant and TA should maintain the relevant records for a time period specified under Statutory provisions such as Income Tax Act/ CGST Act/ General Financial Rules/ GoI instructions, whichever is higher.

## **12.0 Provision for Verification of AAT Application through Government Portals – GSTN, ICEGATE, etc.**

- 12.1 If TA needs information for DVA related data verification from ICEGATE and GSTN they will check for the publicly available information. In case of specific requirement, they should seek the same from the Applicant and its suppliers. In case the Applicant or its supplier fails to provide information they may refer the matter to MHI.
- 12.2 For Employment related data, TA may use EPFO portal. This will be used to verify the information given in the QRR submitted by the Applicants.

## **13.0 Removal of Difficulties**

- 13.1 This scheme covers AAT vehicles like electric two wheeler, electric three wheeler, electric four wheeler, electric bus, electric commercial vehicles, electric tractor and 103 AAT components. The supply chain for these AAT products may be unique and different from each other, and common formats and one SOP may not be able to capture DVA for all these AAT products. Therefore, and if any applicant represents that they are unable to furnish required information/ ensure compliance to certain provisions of this SOP including but not limited to adherence to timelines, nature of documentation, interpretation of guidelines, Field Visits, etc., then the TA has been empowered to remove difficulties in implementation of this SOP, as and when required. The TA shall have the power to grant such exemptions within the ambit of the Scheme Guidelines.

## **Annexure-I : Committee Composition for Framing SOP**

**Committee to finalize the SOP for eligibility as Advanced Automotive Technology (AAT) Product under Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry**

<b>Member</b>	<b>Designation</b>
Shri Reji Mathai, <b>(Coordinator)</b>	Director, The Automotive Research Association of India, Pune
Shri Saurabh Dalela	Director, International Centre for Automotive Technology (ICAT), Manesar
Shri A S Ramadhas	Director, Global Automotive Research Centre (GARC), Chennai
Shri Manish Jaiswal	Director, National Automotive Test Tracks (NATRAX), Indore
Shri. Suneet Shukla	General Manager, IFCI

## Annexure-II : Roadmap for Indigenization (Indicative Format)

### Illustration 1: Major Part, as may be prescribed by TA: Traction Motor

Major Child Parts, as prescribed by TA (indicative)	2022-23	2023-24	2024-25	2025-26	2026-27
Stator	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Rotor	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Magnet	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Copper Winding	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Hall Sensor	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Others (please specify)	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
...	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Assembly	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
<b>DVA%</b>					

**Illustration 2: Major Part, as may be prescribed by TA: Electronic Control Unit (ECU)**

<b>Major Child Parts, as prescribed by TA</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
Controller Chip	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Memory Chip	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Sensors	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Printed Circuit Board (Bare Board)	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Resistors	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Capacitors	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Software and Engineering Services	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Others (please specify)	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
...	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
Assembly	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported	Indigenous/ Imported
<b>DVA%</b>					

## Annexure-III : Details of Suppliers

**Table III-1: Details of imports in respect of Suppliers (Tier-I/II<sup>#</sup>/III<sup>#</sup>) to the applied AAT product**

#	Name of Suppliers	Tier-I / Tier-II/ Tier-III	GSTIN	IEC Code	Revenue from Operations in last FY	Total Import of Goods in last FY	Total Import of Services* in last FY	Total Imports in last FY	Estimated Import of Goods attributable to Applicant	Estimated Import of Services* attributable to Applicant	Estimated Imports attributable to Applicant
					(Rs. crore)	(Rs. crore)	(Rs. crore)	(Rs. crore)	(Rs. crore)	(Rs. crore)	(Rs. crore)
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[G+H]	[I]	[J]	[I+J]

# Details of Tier-I are mandatory. Details for Tier-II & Tier-III may be provided if required by TA.

\* Import of services including royalty, as disclosed in form 15CA & 15CB of Income Tax Act/ Rules.

**Table III-2: Details of documents submitted in respect of Suppliers**

#	Name of Suppliers	Tier-I / Tier-II/ Tier-III <sup>#</sup>	GSTIN	IEC Code	MPFD for major suppliers** submitted (Yes/ No)	PPA with Tier-I submitted to TA (Yes/ No/ Not available)	Date of PPA	Copies of AFS of major** suppliers in last FY submitted (Yes/ No)	PPE at the start of last FY (Rs. crore)	PPE at the close of last FY (Rs. crore)	Avg. PPE for last FY (Rs. crore)	Revenue from Operations in last FY (Rs. crore)	Revenue to PPE ratio
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L = (J+K)/2]	[M]	[M/L]

# Details of Tier-I are mandatory. Details for Tier-II & Tier-III may be provided if required by TA.

\* Imports include import of services (including royalty).

\*\* Additional information may be sought by TA, if required.

AFS: Audited Financial Statements

## Annexure-IV : Format of Undertaking from Suppliers of the Applicant

<On the Letterhead of the Supplier>

Date:.....

To,

<The Applicant>

<Applicant's Address>

Sub: Declaration of import in the parts / components / aggregates

1. This refers to the import content confirmation of self, our Tier-I and Tier-II suppliers requested by your company, which is required for the purpose of declaration to the Ministry of Heavy Industries (MHI), Government of India and its Agencies including Testing Agencies, in relation with requirement of localization under the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-AUTO).

2. The details of part-wise import content are as follows:

Part No.	Part Description	Selling Price in INR (excluding GST)	Value of Direct Import by us (in INR)*	Broad Description of parts imported by us	Value of parts imported by our suppliers (in INR)*	Broad Description of parts imported by our suppliers	Local Content	DVA%
		(A)	(B)		(C)		(D)	(D/A)

\* Import Value = CIF + Import Duty (but excluding GST). Imports will include royalty, license technical know-how expenses and imported services, in line with the declarations made under GST.

3. Our IEC Code: \_\_\_\_\_.

4. The above declaration is based on following:

Reference Rate of Foreign Exchange (please enclose separate sheet if required):

- i. Currency Name \_\_\_\_\_
- ii. Reference Date \_\_\_\_\_
- iii. Foreign Exchange Rate\_\_\_\_\_

5. The above declaration is furnished after obtaining relevant information/ declaration from our Tier-I/ Tier-II suppliers. We certify that the aforesaid information is true and represents a fair picture.
6. In the event of any material change in the percentage of import/ local content declared above, we undertake to notify you at the earliest. The import content has also been verified by the Statutory Auditor.

<Signature of Supplier>

<Signature of Statutory Auditor>

## Annexure-V : Formats of Invoiced Bill of Materials (BoM) to be furnished by Applicant

(For one complete AAT Product)

**Table V-1. Details at Tier-I Level (local sourcing from Tier-I) (Mandatory)**

Name of the AAT Product: \_\_\_\_\_

Product Code as per PLI Scheme: \_\_\_\_\_

Sr . No.	Name of Aggregates/ Child Parts/ Services (Tier-I)	HSN Code of Parts	Invoice d Value per piece (net of GST) (INR)	BoM Quantit y	Value per piece of AAT Product (INR)	Import Content (direct & indirect)/ Origin Unknown (INR) as per declaration under Annexure-IV #	Local Conten t (INR)	DVA% , as per declar ation under Annex ure-IV	Name of Tier- I Suppli er	GSTIN of Tier-I Suppli er	IEC of Tier-I Suppli er	Plant Addre ss for Tier-I	Part is Certifie d by Testing Agency under this Schem e	%DVA of Comp onent as certifi ed by TA	Remar k if any
	(A1)	(B1 )	(C1)	(D1)	(E1 = C1 * D1)	(F1)	(G1= E1-F1)	(H1)	(I1)	(J1)	(K1)	(L1)	(M1)	(N1)	(O1)
													Yes/ No/ Not Applicab le		
1															
2															
3															
	<b>Total</b>														

#: Import content includes exempted items as per this Scheme and services as per provisions of GST legislation.

Note: In case, Applicant has arrangement with multiple suppliers for sourcing the same child parts, then details of all suppliers along with weighted average of import content and DVA% shall be submitted for such parts.

<CA/Statutory Auditor>

<UDIN Number>

<Sign and Stamp>

<Date>

< Authorized Signatory of Applicant>

<Sign and Stamp>

<Date>

**Table V-2. Details of Parts corresponding to Exempted Items (Mandatory)**

Name of the AAT Product: \_\_\_\_\_

Product Code as per PLI Scheme: \_\_\_\_\_

Sr. No.	Name of Aggregates/ Child Parts	HSN Code of Parts	Is the component certified under PLI-AUTO	%DVA of Component as certified by TA	Name of Supplier	GSTIN of Supplier	IEC of Supplier	Plant Address for Supplier	Invoiced Value per piece (net of GST) (INR)	BoM Quantity	Value in AAT Product (INR)	Import Content/ Origin Unknown (INR)#	Value of Import for which exemption claimed (INR)
	(A2)	(B2)	(C2)	(D2)	(E2)	(F2)	(G2)	(H2)	(I2)	(J2)	(K2 = I2 * J2)	(L2)	(M2)
			Yes/ No										
1													
2													
3													

#: Import content includes exempted items as per this Scheme and services as per provisions of GST legislation.

Note: In case, Applicant has arrangement with multiple suppliers for sourcing the same child parts, then details of all suppliers along with weighted average of import content and DVA% shall be submitted for such parts.

<CA/Statutory Auditor>  
<UDIN Number>  
<Sign and Stamp>  
<Date>

< Authorized Signatory of Applicant>

<Sign and Stamp>  
<Date>

**Annexure-V (Continued)**  
**Formats of Invoiced Bill of Materials (BoM) to be furnished by Applicant for AAT Certification**  
**(For one complete AAT Product)**

**Table V-3. Details of Direct import by Applicant (Mandatory)**

Sr. No.	Name of Aggregates/ Child Parts Imported by Self	HSN Code of Parts	CIF BoM Cost (INR)*1	Quantity	IEC of Self	Part is Certified by Testing Agency under this Scheme	Remark if any
	<b>(A3)</b>	<b>(B3)</b>	<b>(C3)</b>	<b>(D3)</b>	<b>(E3)</b>	<b>(F3)</b>	<b>(G3)</b>
				<wherever applicable>		Yes/ No/ Not Applicable	
1							
2							
3							
	<b>Total</b>						
	<b>Royalty paid outside India</b>						
	<b>Imported services</b>						
	<b>Total Import</b>						

\*1: For imported items, provide CIF price including import duties (but excluding GST).

Note: In case, Applicant has arrangement with multiple suppliers for sourcing the same child parts, then details of all such suppliers along with weighted average of import content and DVA% shall be submitted for such parts.

<CA/Statutory Auditor>  
 <UDIN Number>  
 <Sign and Stamp>  
 <Date>

< Authorized Signatory of Applicant>

<Sign and Stamp>  
 <Date>

**Annexure-V (Continued)**  
**Formats of Invoiced Bill of Materials (BoM) to be furnished by Applicant for AAT Certification**  
**(For one complete AAT Product)**

**Table V-4. DVA Calculation of AAT Product (Mandatory)**

Sr. No.	Details (A4)	INR (B4)
1	<b>Ex-Factory Price of AAT Product as per GST Invoice (INR) (net of GST)</b>	<b>&lt;T1&gt;</b>
2	Total Import content* per AAT product (including all exempted items)- INR	<b><u>&lt;Imp1&gt;</u></b>
3	Average Discount for last 12 months, in excess of the dealer/ channel margin	<b><u>&lt;D&gt;</u></b>
4	<b>Total [Ex-Factory Price of AAT Product (INR) (net of GST)]</b>	<b>&lt;T2=T1-D&gt;</b>
5	<b>Exempted import Items (as per the Scheme)</b>	
5.1	Value of ACC to be deducted (for Champion OEMs only) INR	<b><u>Imp2</u></b>
5.2	Value of Semiconductors to be deducted (for Component Champions only) INR	<b><u>Imp3</u></b>
5.3	Value of REM to be deducted (for Component Champions only) INR	<b><u>Imp4</u></b>
6	<b>Total Exempted Import (INR)</b>	<b>&lt;Imp5 = Imp2+Imp3+Imp4&gt;</b>
7	<b>DVA (of AAT product) %</b>	

$$DVA (\%) = \frac{[T2 - Imp5] - [Imp1 - Imp5]}{T2 - Imp5} \times 100$$

\* This import content is based on our own imports, imports upto Tier-III and beyond Tier-III - it is based upon our assessment and it does not adversely affect our DVA% estimate.

<CA/Statutory Auditor>  
 <UDIN Number>  
 <Sign and Stamp>  
 <Date>

< Authorized Signatory of Applicant>  
  
 <Sign and Stamp>  
 <Date>

**Annexure-V (Continued)**  
**Formats of Invoiced Bill of Materials (BoM) to be furnished by Applicant for AAT Certification**  
(For one complete AAT Product)

**Table V-5. Details at Tier-II & III Level (For those components, as required by TA):**

Sr. No.	Name of Tier-I Parts	Name of Tier-II/III Parts	HSN Code of Parts	Invoice Value per piece (net of GST) (INR)	BoM Quantity	Value per piece of AAT Product (INR)	Import Content (direct & indirect)/ Origin Unknown (INR) #	Local Content (INR)	DVA%	Name of Tier-II/III Supplier	GSTIN of Tier-II/III Supplier	IEC of Tier-II/III Supplier	Plant Address for Tier-II/III	Part is Certified by Testing Agency under this Scheme	%DVA of Component as certified by TA	Remark if any
		(A5)	(B5)	(C5)	(D5)	(E5 = C5 * D5)	(F5)	(G5 = E5-F5)	(H5)	(I5)	(J5)	(K5)	(L5)	(M5)	(N5)	(O5)
														Yes/ No/ Not Applicable		
1.1																
1.2																
1.3																

\* Tier-II parts for part no.1 should be numbered as 1.1, 1.2, 1.3 and so on. Likewise, Tier-II parts for part no.2 should be numbered as 2.1, 2.2, 2.3 and so on.

#: Import content includes exempted items as per this Scheme and services as per provisions of GST legislation.

Note: In case, Applicant has arrangement with multiple suppliers for sourcing the same child parts, then details of all such suppliers along with weighted average of import content and DVA% shall be submitted for such parts.

<CA/Statutory Auditor>

<UDIN Number>

<Sign and Stamp>

< Authorized Signatory of Applicant>

<Sign and Stamp>

<Date>

<Date>

**Annexure-II (Continued)**  
**Formats of Invoiced Bill of Materials (BoM) to be furnished by Applicant for AAT Certification**  
(For one complete AAT Product)

**Annexure-VI : Details of GST Invoice pertaining to AAT Product for direct procurement by Applicant**

AAT Product Name:

Financial Year:

#	IRN#	Invoice#	Date	Name of Local Supplier	GSTIN of Local Supplier	Name of Part/ Component	HSN Code of Part/ Component	Value (net of GST) (Rs.)	Quantity	Value per piece (net of GST) (Rs.)
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]

**Annexure-VII : Details of sample\* Bill of Entry(ies) for all items/ parts pertaining to AAT Product (for Applicant and other Tiers as per requirement of TA#)**

AAT Product Name:

Financial Year:

#	No. of Bill of Entry of the Applicant	Date	Name of Imported Part/ Component	HSN Code of Imported Part/ Component	CIF Value (Rs.)	Quantity
[A]	[B]	[C]	[D]	[E]	[F]	[G]

\* The BoE which has been considered for arriving at total import content.

This is to certify that the above table covers all the items which covers import content (direct and indirect).

< Authorized Signatory of Applicant>

<Sign and Stamp>  
<Date>

## **Annexure-VIII : Checklists for submission of documents by Applicant**

<b>Sr. No.</b>	<b>Item</b>	<b>Applicant's Remarks</b>	<b>Testing Agency's Remarks</b>
1.	Fees for Testing Agency	Paid/ To be Paid	Received/ To be Received
2.	Manufacturer's Declared Specifications Document	Submitted/ Not submitted/ Not applicable	Received/ To be Received/ Not Applicable
3.	CMVR Type Approval Certificate (TAC) and Test Reports/ Corresponding certificate and reports of applicable countries (only for export purpose)	Submitted/ Not submitted/ Not applicable	Available/ Not available/ Not applicable
4.	At the discretion of TA, Test Reports by any other agency deemed appropriate by the TA, as per prevalent practices of CMVR (including drawings, photos, calibration records, etc.). Reports of partial tests shall not be accepted. [Not applicable for Vehicles]	Submitted/ Not submitted/ Not applicable	Available/ Not available/ Not applicable
5.	Reports by International Testing Agencies (including drawings, photos, calibration records, etc.). Reports of partial tests shall not be accepted.	Submitted/ Not submitted/ Not applicable	Available/ Not available/ Not applicable
6.	Physical Sample of AAT Product along with standard accessories and fixtures	Submitted/ Not submitted	Received/ To be Received
7.	Photos of the AAT Product (Front, Side, Rear and Top View)	Submitted/ Not submitted	Received/ To be Received
8.	Exploded/ blow-up view of AAT Product with suggested coloring for major parts as follows:	Submitted/ Not submitted	Received/ To be Received

<b>Sr. No.</b>	<b>Item</b>	<b>Applicant's Remarks</b>	<b>Testing Agency's Remarks</b>
	imported parts: Red colour, 100% local content: Green colour.		
9.	Roadmap for Indigenization (as per Annexure-II of SOP)	Submitted/ Not submitted	Received/ To be Received
10.	Brief description of manufacturing process of Applicant along with manufacturing process flow diagram (MPFD) showing raw material/ sub-part entry, inspection, assembly and final checkpoints.	Submitted/ Not submitted	Received/ To be Received
11.	MPFD of major suppliers in terms of price of local content/ manufacturer of AAT components/ recently localized components	Submitted/ Not submitted	Received/ To be Received
12.	Latest Audited Financial Statements (AFS) of major Suppliers, as desired by TA	Submitted/ Not submitted	Received/ To be Received
13.	Revenue to PPE ratio for major domestic suppliers as desired by TA	Submitted/ Not submitted	Received/ To be Received
14.	Information regarding Suppliers including list of MPFD, list of AFS submitted, Revenue to PPE ratio, Imports (format as per Annexure-III [Tables III-1 & III-2] of SOP)	Submitted/ Not submitted	Received/ To be Received
15.	Undertakings from Tier-I Suppliers for DVA (format as per Annexure-IV of SOP)	Submitted/ Not submitted	Received/ To be Received
16.	Excel sheet of Invoiced/ Costed Bill of Material (BoM) for calculation of DVA [format as	Submitted/ Not submitted	Received/ To be Received

Sr. No.	Item	Applicant's Remarks	Testing Agency's Remarks
	per Annexure-V of SOP including following tables: Table V-1. Details at Tier-I Level (for local sourcing) Table V-2. Details of Parts corresponding to Exempted Items Table V-3. Details of Direct imports by Applicant Table V-4. DVA calculation of AAT Product Table V-5. Details at Tier-II & III Level (For those components, as desired by TA)].		
17.	Details regarding policy on royalty/ license/ technical know-how expenses, if any. Applicant to explain the mechanism for calculating/ charging royalty and provide details of royalty/ license/ technology agreements to TA.	Submitted/ Not submitted/ Not Applicable	Received/ To be Received/ Not Applicable
18.	Details regarding imported/ non-originating services being availed in the manufacturing of the applied AAT product. Import of all services including royalty/ license/ technical know-how expenses/ payments to expats/ etc., to be taken into account for calculation of DVA in the format as per Annexure-V of SOP.	Submitted/ Not submitted/ Not Applicable	Received/ To be Received/ Not Applicable
19.	Applicant's policy for providing discounts to dealers/ customers, including details of	Submitted/ Not submitted	Received/ To be Received

<b>Sr. No.</b>	<b>Item</b>	<b>Applicant's Remarks</b>	<b>Testing Agency's Remarks</b>
	discounts provided on the applied AAT product in the last 12 months.		
20.	Schedule of dealer margins and dealer discounts/ schemes offered in last 12 months for the applied product (format as per Annexure-X)	Submitted/ Not submitted	Received/ To be Received
21.	Invoiced BoM & DVA to be certified by the Statutory Auditor and self-certified by Authorized Signatory of the Applicant.	Submitted/ Not submitted	Received/ To be Received
22.	GST Invoice for local procurement from Tier-I Suppliers. List of GST invoices to be provided in the format as per Annexure-VI of SOP.	Submitted/ Not submitted/Not Applicable	Received/ To be Received/ Not Applicable
23.	Commercial Invoice/ Bill of Entry for direct imports (for indirect imports – if required by TA). List of BoE to be furnished in format as per Annexure-VII of SOP.	Submitted/ Not submitted	Received/ To be Received
24.	Purchase/ Price Agreements (PPA) with suppliers	Submitted/ Not submitted/ Not applicable	Received/ To be Received/ Not applicable
25.	SOP of Applicant for calculation and maintaining DVA data	Submitted/ Not submitted	Received/ To be Received
26.	Name and version of Enterprise Resource Planning (ERP) software system being used by the Applicant for managing its procurement, manufacturing, inventory, sales, investment, etc.	Submitted/ Not submitted	Received/ To be Received

<b>Sr. No.</b>	<b>Item</b>	<b>Applicant's Remarks</b>	<b>Testing Agency's Remarks</b>
27.	Address of unit(s) where manufacturing of applied product is being carried out.	Submitted/ Not submitted	Received/ To be Received
28.	Date of commencement of commercial operations (DCCO) for the applied product.	Submitted/ Not submitted	Received/ To be Received
29.	GST Invoice for Ex-Factory Price of applied AAT Product	Submitted/ Not submitted	Received/ To be Received
30.	Affidavit on Rs.500/- non-judicial stamp paper certifying that all data, information submitted by Applicant are true and correct	Submitted/ Not submitted	Received/ To be Received
31.	Meets the definition of AAT Product as per notification S.O.4632(E) dated 09/11/2021 or as amended from time to time.	Yes/ No	Yes/ No
32.	Meets Performance/ Test Parameters	Yes/ No	Yes/ No
33.	Exemption benefit for ACC/ Semiconductors/ REM utilized	Yes/ No	Yes/ No

## **Annexure-IX : Format of Affidavit cum Undertaking to be Submitted by the Applicant**

<To be printed on INR 500/- Non-Judicial Stamp Paper and notarized>

### **AFFIDAVIT cum UNDERTAKING**

I, -----, son of -----, resident of -----  
-----, having PAN Card Number -----, as the identity proof, do hereby solemnly affirm on oath that I am the Authorized Signatory of -----  
----- (name of company) hereinafter referred to as 'Company', having its registered office at ----- and I have read and understood the provisions of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Component Industry in India (PLI-AUTO) vide S.O. 3946(E) dated 23<sup>rd</sup> September 2021, S.O. 3947(E) dated 23<sup>rd</sup> September 2021 and S.O. 4632 (E) dated 9<sup>th</sup> November 2021 and other notifications/ guidelines/ FAQs/ office memorandums/ circulars/ etc. issued by the Ministry of Heavy Industries (MHI) from time to time.

2. I state that, Company has filed application for certification of Advanced Automotive Technology (AAT) Product on the PLI Portal of MHI (pliauto.in) for product ----- (name of product/s) and has submitted physical sample along with relevant technical specifications, drawings, etc., to the Test Agency of MHI viz. ----- (Name of Testing Agency and Address)

3. I state and confirm that all the AAT Product data and information submitted by Company to the Test Agency referred above are true, and correct and that no material fact / information that may have an adverse impact on the information provided by us for AAT certification has been concealed. I confirm that Company has not applied for AAT Certification of the <product> to any other Testing Agency of MHI in the past. I also confirm that, wherever there is procurement from or sale to any related parties, all invoices/ bills of entry furnished by us and prices reported by us are based on arms-length pricing and applicable norms for transfer pricing. I acknowledge and confirm that the foregoing averment is on an ongoing basis and further undertake to immediately apprise the Test Agency about any material change in the status of the information provided by us to avail the said AAT certification, including change in supply chain/ sourcing/ change in technical/ performance parameters of the product.

4. I understand that granting of approval of AAT Product by the Test Agency is based on the data, information submitted by Company to the Test Agency referred above and submission of accurate and correct data and information to the Test Agency is the sole responsibility of Company.

5. I hereby confirm that, Company agrees to indemnify and keep indemnified and harmless the above Test Agency from time to time, at all times hereafter, against all losses, claims, demands, proceedings, expenses, costs and consequences of whatsoever nature on full Indemnity basis which the Test Agency may sustain, incur or suffer or be exposed to in connection with granting of AAT Product Approval to Company.

6. I further undertake that in the event of (i) any of the information provided by us for meeting the eligibility criteria to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated above being found false, incorrect, incomplete or breached; Company will (a) refund the entire amount of incentives availed by it along with interest calculated at Marginal Cost of funds based Lending Rate (MCLR) of State Bank of India (SBI) applicable for 3 years tenure, prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund by the Company.

7. I acknowledge that the remedies provided above are not the exclusive remedies available with the Test Agency/ MHI and are without prejudice to any legal remedies available with Test Agency/ MHI for events/ circumstances mentioned above.

Place:

Date:

Deponent

< Authorized Signatory of Applicant>

<Sign and Stamp>

### **VERIFICATION**

I, -----, above named deponent do hereby verify that the contents of the aforesaid paragraphs 1 to 3 are true to the best of my knowledge and nothing has been concealed therefrom.

Verified at ----- (place) on this the ----- day of -----, 2023.

Place:

Date:

Deponent

(Seal of Company)

## Annexure-X: Range of Discounts

The information is to be provided based on data including for the following cities:

- Million plus cities as per 2011 census;
- Smart cities as notified by MoHUA;
- Satellite towns connected to 7 metros (Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore and Ahmedabad);
- Major Cities of Special Categories State/ UTs;
- The capital city of all states/ UTs not covered in the above categories.

Month	Weighted Average Discount as % of Ex-Factory Price	Weighted Average Dealer Margin as % of Ex-Factory Price	Excess Discount%	Excess Discount in Rs.
[A]	[B]	[C]	[E = (B – C) or 0, whichever is higher]	[D = E * Ex-Factory Price]
Weighted Average for last 12 months				

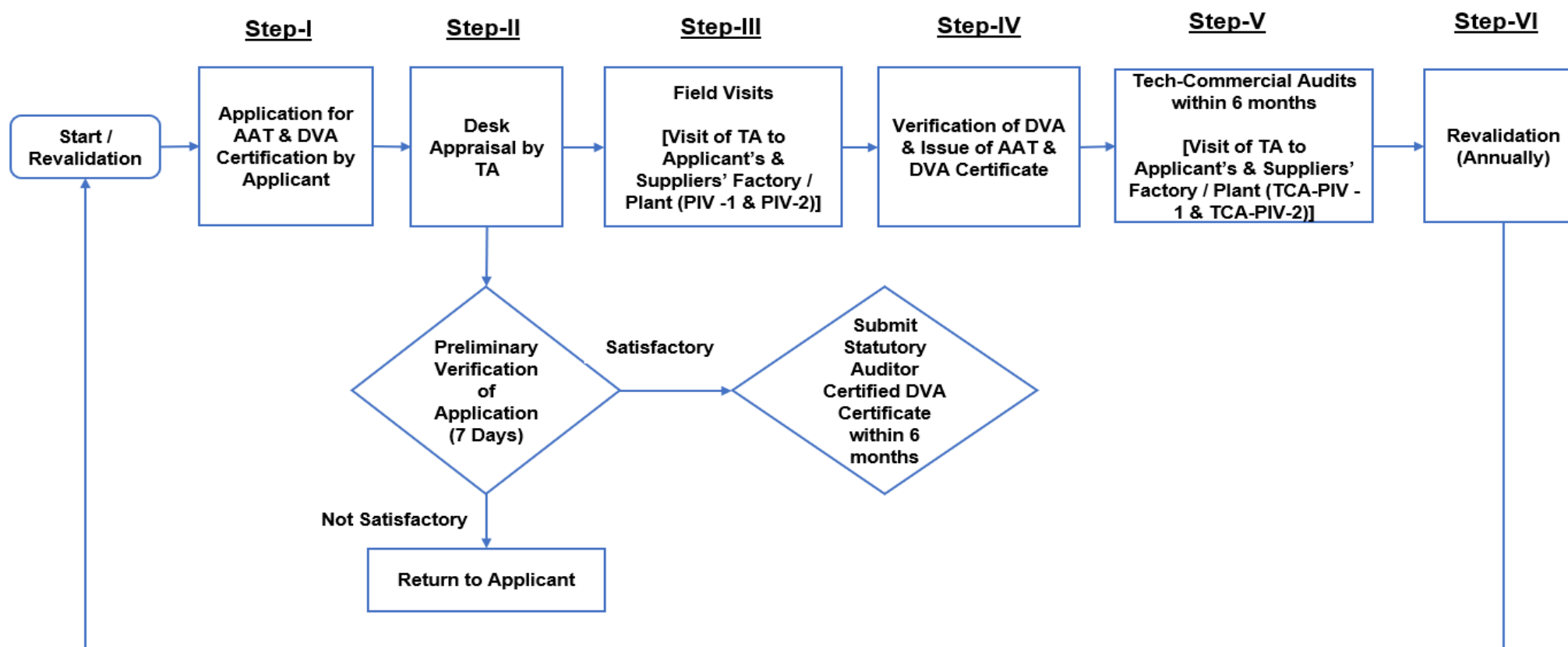
The Applicant has to generate the data for this table for each dealer in the aforesaid cities and their weighted average is to be submitted in the above format only. This data has to be weighted by the number of vehicles sold by each dealer.

<CA/Statutory Auditor>  
 <UDIN Number>  
 <Sign and Stamp>  
 <Date>

< Authorized Signatory of Applicant>  
  
 <Sign and Stamp>  
 <Date>

## Annexure-XI: Flowchart for DVA certification process

### Process Flow Chart for PLI-AUTO DVA Certification



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